

# Business and the First Year of War

## *A Narrative History of a Significant Period for Commerce and Industry, Written by Its Leaders*

PRIMARILY an index to The Nation's Business, yet its headings and sub-headings will give the reader of discernment a composite picture of the swift moving war drama of the stirring year of 1917, a year in which business emerged into a new order of things. Landmarks of thirty years were swept aside, many of them never to be set up again. What of novel practices and new relationships will remain is for 1918 to tell.

Each month during these days The Nation's Business, on the scene of action, clearly and faithfully reported in its pages these events and their momentous problems. The record is authoritative. It stands written in most part by the very men who were themselves the guiding powers of the events they chronicled. For the convenience of our readers these articles have been indexed by subjects in the pages following.

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1917

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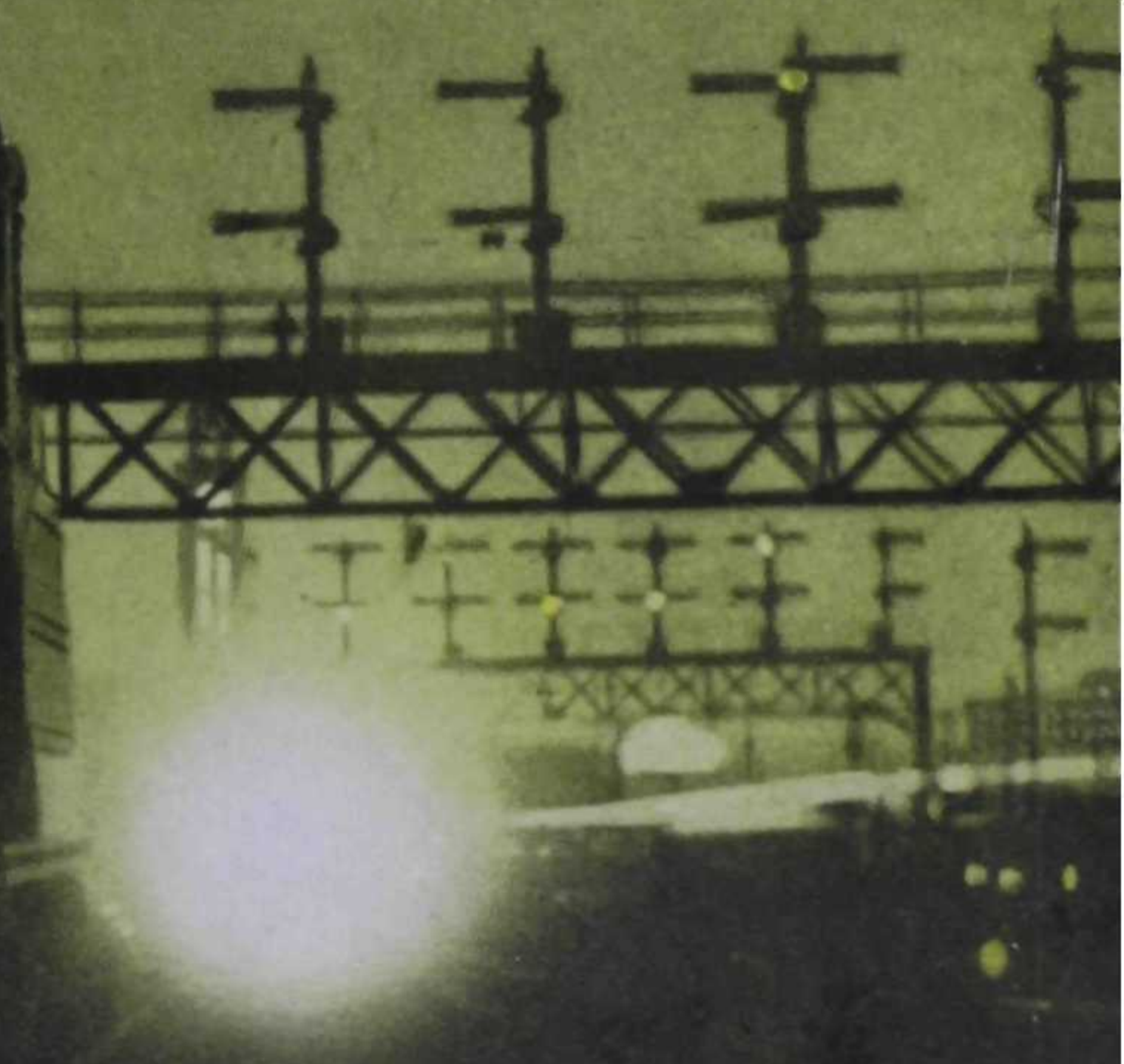
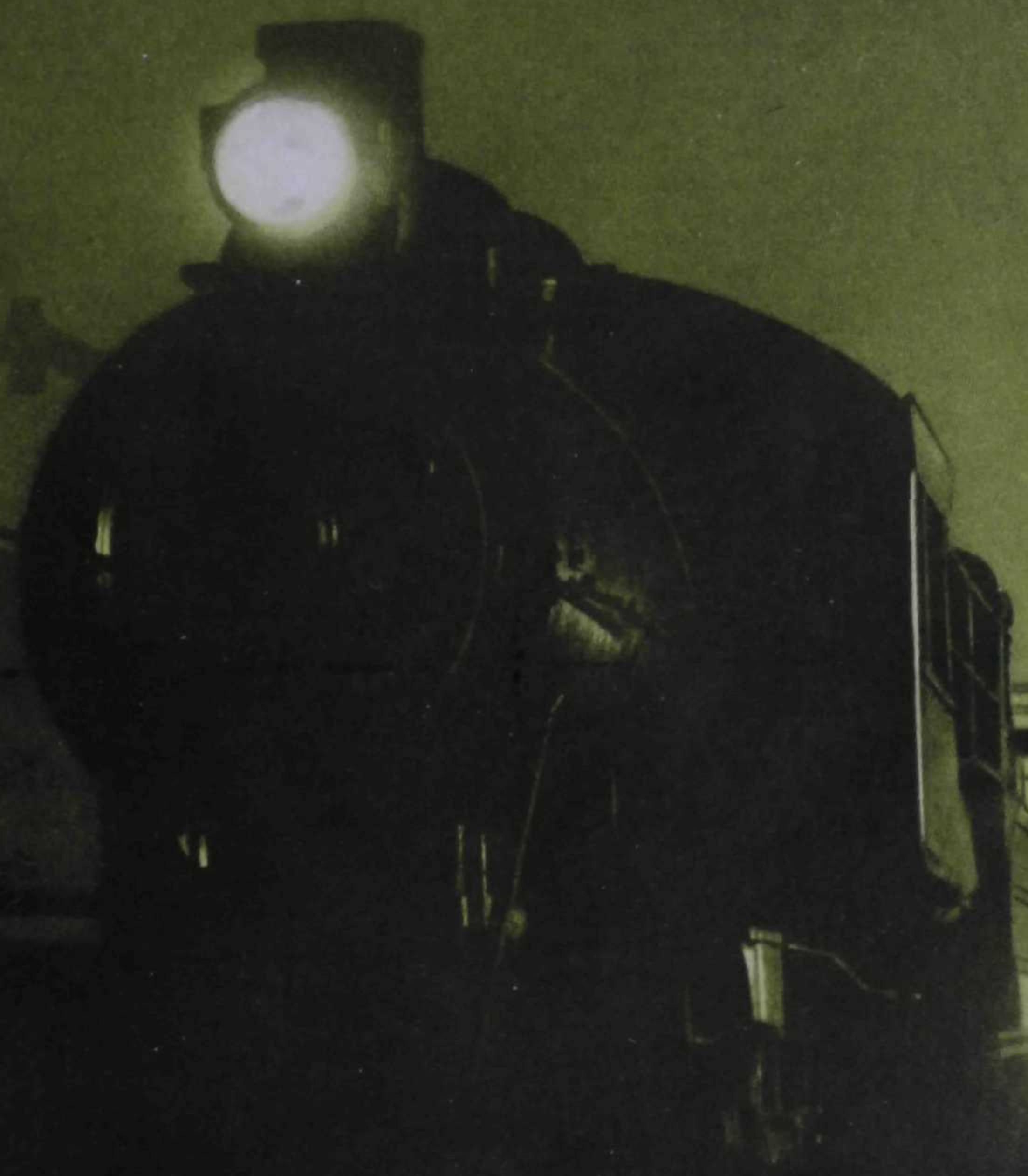
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MARCH, 1917

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*The Computing - Tabulating - Recording - Company's  
products are used in every line of business, in every size  
of business, in every country of the civilized World.*



# Rapid growth of Foreign Business of Irving National Bank

The Irving National Bank has, for many

years, kept in touch with all commercial centers of the world.

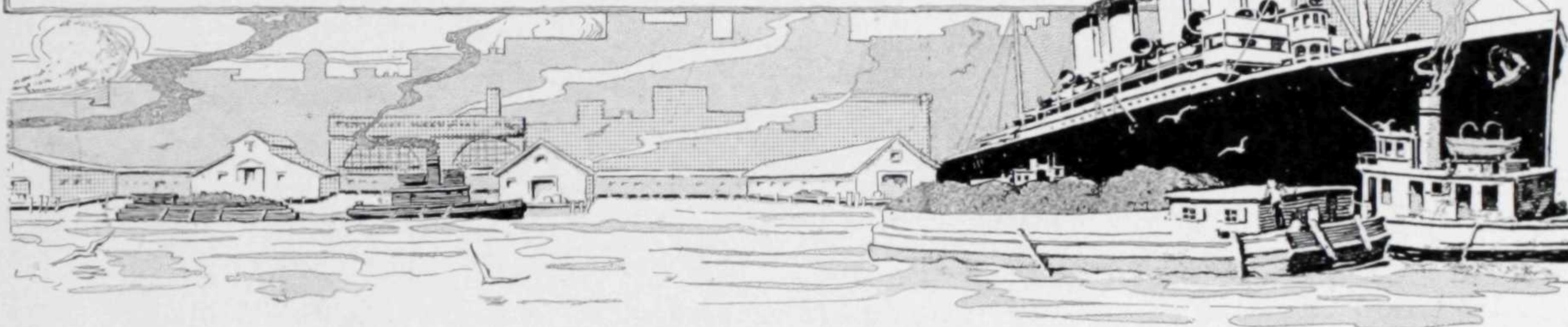
Officers of this bank have become personally acquainted with many of the executives of its foreign correspondents and through them obtain an intimate knowledge of world conditions.

Instituted primarily to increase the usefulness of the bank to its customers, the service of the Irving's Foreign Department has by its efficiency developed an extensive international business.

## IRVING NATIONAL BANK

Strictly a Commercial Bank  
Capital and Surplus \$7,000,000

WOOLWORTH BUILDING  
NEW YORK



## A National Organization

Experienced and discriminating bankers and business men naturally prefer to utilize service from an organization with a national reputation.

We are operating with established offices in Boston, Springfield, Mass., New York, Cleveland and Chicago, and have in each city an organization exclusively our own, with resident managers who have had several years' experience in our organization.

At each office, we maintain a permanent force of employees, including many certified public accountants and trained industrial engineers.

We are accordingly prepared to render experienced service in all matters pertaining to auditing, constructive accounting, reliable costs, production control, scientific systems of wage payment and related methods of securing greater efficiency and increased profits.

Our audits have been distinguished by independent judgment, thoroughness and precision, and have received warm endorsement from some of the leading American bankers.

Booklets descriptive of our varied service will be mailed to executives on request.



**Scovell, Wellington & Company**

*formerly*

**Clinton H. Scovell & Company**

**Certified Public Accountants**

**Industrial Engineers**

Boston, 110 State Street    Springfield, Mass., Stearns Building  
New York, Woolworth Building    Cleveland, Illuminating Building    Chicago, Edison Building



# The Bell Ringer

MEMBER OF THE  
AUDIT BUREAU  
OF CIRCULATIONS

New York Tribune

ADVERTISING GAINED  
JAN., 1917, OVER JAN.  
1916, 110,494 LINES

First to Last—the Truth: News—Editorials—Advertisements

No. 36

FEBRUARY, 1917

Price Two Cents

## Harroun Motors Ads Censored

In the columns of The Ad-Visor on December 14, 1916, The Tribune published a report by the National Vigilance Committee of the A. A. C. of W. on the stock selling methods of the Harroun Motors Corporation. This report was distinctly unfavorable.

Three days later an advertisement called an "official statement" of the Harroun company appeared in two other New York papers, The World and The Herald. Doubtless a coincidence, this too was dated December 14.

This "frank" statement shows sets to the amount of \$425,516, fails to mention just how much \$10,000,000 capital stock is standing against this sum.

From a Detroit dispatch January 30, quoting the Michigan Securities Commission, it would appear that half of the stock is now outstanding. If this is true it would raise a book value per share of 8 and would explain why the promoters do not keep their promise to tell the whole story to the public.

### Price Shifting Scheme

By the underwriters' clever trading to themselves and to price almost at will.

So January 18 the syndicate advanced the price to \$7. The National Vigilance Committee "can be used as an argument to satisfy former purchasers inclined to improve their position, as used as an argument to improve their position, as may expect."

The securities commission permits under its commission say change the original sale of stock, but the \$4,000,000 of the remaining stock which was issued to promoters must be placed in escrow with the commission by the holders until the company is able to pay dividends of 6% on the entire stock. When this stock is so escrowed the company may sell \$1,000,000 of its treasury stock in Michigan, paying a

(CONTINUED ON PAGE FOUR)

## Samuel Hopkins Adams Does Tribune Readers a Real Service by Exposing the "Instalment" Game

One of the most ingenious yet devised for selling inferior merchandise at a low price is the instalment purchase system. The Tribune started a smashing attack on this trade.

As Mr. Adams says: "There is nothing dishonest about it. When you buy on instalment, you are buying on credit. You are buying on credit, and you are buying on credit, and you are buying on credit."

OUR little house organ, The Bell Ringer, has something to say about The Tribune, and a deal more about good business in general. It's quite in favor with the business and advertising men now getting it.

Writes Edward Hungerford, of Wells Fargo:

"The Bell Ringer comes to my desk quite faithfully. I enjoy reading it not only because of its merit, but also because I am inordinately fond of The Tribune."

The Bell Ringer policy is "More Information, Less Inspiration," which may be one reason why its readers say they always go over it carefully. February was a good number, but we think March is a little better.

The Bell Ringer is always glad to go to any business man who welcomes it.

On your business letterhead, please!

## The New York Tribune

First to Last the Truth: News—Editorials—Advertisements

The fourth day of Ding's drawings appeared in The Tribune, The Outlook and The Literary Digest requested one of them.



Ding's work is certainly making a wonderful hit. The Tribune Syndicate reports a big demand for it from other newspapers throughout the country.

## Tribune Continues Scharps Auto Series

Following up the articles on the Overland, and on the pre-testing principle referred to in the January Bell Ringer, The Tribune in its issues of January 28 and February 4 continued its searching study of the automobile industry.

In the first issue mentioned above C. E. T. Scharps, The Tribune's Automobile Editor, took up the subject of retail sales contracts.

"All that any good contract for the sale of an automobile need contain," says Mr. Scharps, "is the description and specifications of the car to be bought, the price, the deposit, the approximate delivery date, and a fair and simple guarantee under which the merchandise is sold. All retail contracts that I have seen do contain some of these things. But when it comes to the guarantee the resemblance ends."

Some of them have no guarantees. Others have a thoroughly inadequate warranty, the form approved about ten years ago by the National Automobile Chamber of Commerce, and applicable to present day methods of the automobile business. There is no other group which have good, or indifferent guarantees, but their contracts are marred very often by clauses and conditions as to forfeiture or return of deposits that make buying an automobile far from a business operation.

### Standard Warranty

Following on the subject of the standard warranty in the second article referred to, Mr. Scharps quoted the "standard" form of the N. A. C. C. under which nearly 90 per cent of the automobile builders in this country sell their cars.

It is of this warranty that Mr. Scharps acknowledges the responsibility for any defects in workmanship within ninety days, and the cost of repairs or cost of replacement of the car.

It is the fact that of manufacturers included in the 90 per cent used this faulty "standard warranty" to the customers' disadvantage, many other makers and dealers modify it so as to give the owner a chance.

Several of this latter class on which Mr. Scharps comments favorably are the Cutting-Larson Company, New York dealers for the Oldsmobile; the Packard Company, Mitchell Motor

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Entered as second-class matter February 18, 1913, at the Postoffice at Washington, D. C., under act of March 3, 1879



## Bulldogs and Bumble Bees

DARWIN showed that all life, both vegetable and animal, is bound up in so intimate a community of interest that the presence of many dogs in a neighborhood might result in bad crops of red clover.

It works this way: the clover is fertilized by bumble bees which visit the flowers for the purely selfish motive of gathering honey. Field mice are so fond of this honey that they wreck the nests to get it. Now if there are lots of dogs

### They Kill Off the Cats

As a result the mice flourish and raid the bees' nests so that there aren't enough insects left to fertilize the flowers. Thus the dogs injure the clover crop.

Our business world is knit together by just as many interlacing lines of interests.

### Spinners in England Starved

during the Civil War because Union frigates blockaded the Southern ports. To-day a man buying a suit of clothes in Fargo, N. D., pays more for that suit because farmers in Pennsylvania would rather keep useless dogs than indispensable sheep.

### The Tale of Our Failing Wool Supply

is engrossingly told in the April issue of THE NATION'S BUSINESS. It is a yarn that sweeps from the wild bush of Australia to the wind-swept reaches of the Gobi Desert and back again to our own snug towns. And it is the description of a condition that vitally affects every man, woman, child and baby in the United States.

THE NATION'S BUSINESS runs this story because it realizes that the people of America must acquire a clear international view of the real meaning of commerce. It aims to show them how they are personally interested in every business crisis no matter if it happens 10,000 miles from them. It is spreading the gospel, by means of which England extended and stabilized her vast industries.

### Crutches in Carson City

cost more because there is a war in Europe. When American business men realize the meaning of these things, they are going to take the commanding position that a kind Fate is trying to offer us in the trade of the world. Some of the other stories that will appear in the April NATION'S BUSINESS are:

*The true story of tobacco by a man who smokes a pipe.  
How the manufacture of aeroplanes in the United States has been furthered by wealthy and patriotic "angels".  
An American city that has solved the problem of housing 397 acres of industries on 200 acres of land.  
Another "Men You Know—and Don't!" by James B. Morrow.*

*Putting the dollar through a course of intensive training that will enable it to hold its own in peace.*

Subscription to The Nation's Business  
is \$2 a year; single copies 20 cents

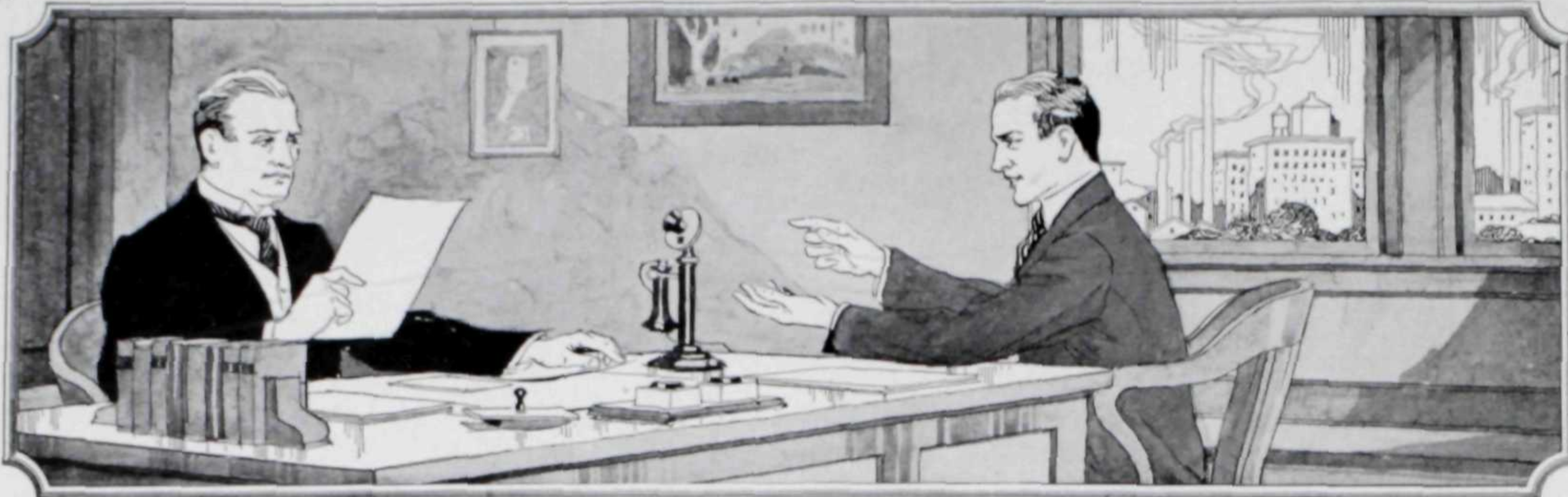
## The Nation's Business

Riggs Building, Washington, D. C.

New York City, 1124-26 Woolworth Building; Chicago,  
640 Otis Building; Boston, 1111 Tremont Building;  
San Francisco, 1004 Merchants Exchange Building







## John Gordon sells Old Hampshire Bond

*John Gordon, printing salesman, tells the President of the Standard Equipment Co. a story which may interest other business executives.*

JOHN GORDON knew that the Standard Equipment Company should use better paper for their new stationery. He had suggested Old Hampshire Bond when the order came up and it was perhaps because he had been "turned down" so hard that he determined to justify his recommendations.

He went to see Mr. Barton, the President of the Standard Equipment Company.

"Mr. Barton," he said, holding out a sheet of the company's stationery, "is this letterhead really in keeping with the reputation that the Standard holds for honesty and progressiveness? Will it stimulate the force of your letters? I do not mean that your letter head is cheap, but rather that it imparts no definite impression. It is without a particular character and fails to represent the excellence of your products. It is just like a thousand other letterheads—no better, no worse.

"You know, Mr. Barton, that a prospective customer will unconsciously size up a house by the appearance of its letters. There is no other means before him by which he can judge.

"That's why I recommend Old Hampshire Bond to you. In my opinion it is the one paper that meets every business requirement. Its surface is original. It appeals to two of the senses—it looks good and it feels good.

"A cheap sheet of paper may look fairly well fresh from the printer, but after it has been handled several times by mail clerks, and traveled several hundred miles, it is often a sorry, crestfallen representative.

"Old Hampshire Bond has the stuff to start with and it reaches your man just as it left your hands.

"Your present stationery is not bad—but will it get business? What will it do to influence the marginal business upon which may depend the net profits of your company? Your present stationery is an expense which might be easily turned into an investment."

Mr. Barton straightened up.

"Do you think Fales, our purchasing agent, will meet your Old Hampshire Bond prices?" he asked.

"Possibly Mr. Fales' position will not permit him to buy Old Hampshire Bond," answered Gordon, "and I think he would frankly tell you that it is not his affair to determine the kind of stationery that is to represent your business—no more than it is within his province to hire your salesmen.

"Your letters cost you, Mr. Barton, from twelve to twenty cents each, including postage, stenographers' time, supplies and all proper overhead—but not including the dictator's time.

"You buy twenty thousand letterheads at a time. Taking the lowest cost, twelve cents, as a basis, you will spend \$2,400.00 in writing these letters—and \$2,440.00 in writing them on Old Hampshire Bond."

Mr. Barton remained silent for a few moments and then rising, said, "Mr. Gordon, you have convinced me of this—the selection of a concern's stationery is a matter which may very well demand the attention of its president. In the future we will not tolerate indifferent representatives of any kind."

### The Letters of Judson McGee—Sent FREE

The use Judson McGee, Esq., makes of better business letters and the system of data collection and filing he has developed, as described in his short book, is of practical value to business men. The book is about better letters. As far as make of paper is concerned it is non-partisan. Any man writing on his business letterhead may have it free.

## HAMPSHIRE PAPER COMPANY

South Hadley Falls

Massachusetts

*The Only Paper Makers in the World*

*Making Bond Papers Exclusively*





# The Nation's Business

VOLUME 5, NUMBER 3

A Magazine for

Business Men

WASHINGTON, MAR., 1917

## THE BIG 4 OF THE BROTHERHOODS

In An Age of Specialization, While Presidents Wrestled with Equipment and Maintenance, the Railroad Chiefs Specialized in Men and Wages, Gaining Thereby an Ability Too Often Underestimated

By JAMES B. MORROW

PERHAPS the most dramatic scene enacted in Washington in recent years was the final session between the railroad brotherhoods and the Senate Committee on Interstate Commerce. It is incidentally reenacted here for our readers, in the character analysis of the four chiefs.

This is the sixth—and perhaps the most significant—of Mr. Morrow's series "Men You Know—And Don't!" In the April number he will tell us of the man who last year brought down the Lakes more iron ore than the capacity of his fleet.—*The Editor.*

NINE Senators, a millionaire among them, went with Austin Bruce Garretson on his rhetorical journey. Railway presidents, also, were in the company—such mighty men from the tracks as Rea of the Pennsylvania, Willard of the B. & O., Smith of the New York Central, Lovett of the U. P. and Underwood of the Erie.

Lawyers, too, were present; modern practitioners of a venerable profession; able men commanding princely pay for their erudition and sagacity.

Interested travelers they were, and impressed, which may have been the object of their conductor.

Over oceans and continents they were transported, and into vanished ages, by oral magic. To the Rio Grande, and the deserts below, "where the vulture is a sacred bird," observed the speaker, somewhat suggestively.

To Babylon, more sinful than Sodom, in the days of Abraham; but the details were omitted by the orator. To Thessaly, the legendary birthplace of Achilles; and to the River Styx, whose dreadful waters flow past the portals of Hades. To the deadly rock of Scylla; to ancient Britain and, at the end, to Chicago.

Familiar characters, big personages, were encountered on the journey—as, for example, Noah, Jonah, Caesar and Alexander the Great, among the males, and Thetis, mistress of the sea-nymphs, among the females.

But the adventure over (Senators, railway presidents and lawyers back again in Washington, at and around the long table of the conference room), could Garretson delay the strike of the brotherhoods?

The question had been formally asked. Stone of the engineers excused himself. Lee of the brakemen passed it over. Carter of the firemen was silent, except for the statement that he would be heard through a substitute.

And now, concluding the last of his two long speeches, Garretson of the conductors stood eye to eye with the inquiry. There was no escape. Perhaps none was sought. In the question, Garretson, low of voice, said, "I find my Gethsemane."

It was a dramatic moment. The brotherhoods, skilled in creating effects, had, in fact, chosen the moment. Artists, they are, in some respects.

"I can say to my men, 'Put it off,'" and Garretson, seemingly, saw nobody, as he acknowledged his authority. His eyes were on the moving trains out in the country and his mind went back over his own life's journey.

Not just now, he could tell his men. But, he asked, "What do I put up to them?"

The Senators were listening and never more expectantly. "Treachery to their comrades," Garretson said

sadly. "And when they find out that I did it," and his voice broke, apparently, "without having attained the object which they intrusted me to obtain, across the fair record of thirty years is written the word 'traitor.'"



History was at his finger ends. Philosophy was shot through his words. Pathos and humor saddened and brightened his wonderful speech. Garretson, six feet two, intellectually dominated the historic railroad hearing



"Can I face it?" he asked, almost in a whisper. He said no more. But he had said enough.

Garretson, six feet and two inches in stature, intellectually dominated that historic hearing. History was at his finger ends. Philosophy was shot through his words. Elocution gave a glowing finish to all that he said. Pathos and humor saddened and brightened his wonderful speech.

The law for which he pleaded was enacted by Congress.

Now, closely to analyze this man, and justly as well, it must be said that Garretson's supreme belief is in himself. His Quaker parents hoped that he would espouse the ministry. Rebellion began there—and perhaps, unbelief. Faith is a wall, behind which all things abide in security and tranquility. Take out a stone and open a breach, be it ever so small, and that which is back of the wall changeth—mankind, its vision, its purpose, its sincerity and its status, among the rest.

The comrades of Garretson say that he is an accurate thinker, a skilled analogist, a student of history and economics, a materialist and a sentimentalist. He calls fact and poetry into his writings and addresses, and, though not a religious man, he reads the Bible at his home, in his office, during waiting moments, and often on his travels.

That great Book, he says, covers the whole range of human experiences and is the best of all guides for warriors, orators, managers and diplomatists, regardless of circumstances or centuries.

The conductors themselves, thinking men and debating men, as they go up and down and back and forth across the continent on slow freights, fast freights, passenger trains and specials, made no mistake in their valuation of Garretson. They jumped him over the heads of other officers in their brotherhood and elected him first vice president, that he might become chief of their order, if Edgar E. Clark, now one of the Interstate Commerce Commissioners, should die, resign or engage in some other line of business.

If Garretson was the speechmaker and mouthpiece, the elocutionist and evangelist of the four brotherhoods in their great contest with the railroads, then William Granville Lee was their Rock of Chickamauga and their Ethan Allen, whose demand that the British surrender "in the name of the great Jehovah and of the Continental Congress" would not be incongruous if voiced by Lee himself.

A man of battle, candid and brave, Lee holds that no struggle is ever really ended until one side gives up or is chased off the field. Brakemen constitute his host—youngish men, from farms, mostly, and excitable as colts.

Hard-handed men, too, and often heedless whether they are here to-day and to-morrow somewhere else.

No character nourished on toast and tea could execute Lee's task. He has ridden through the sleet and rain on the roofs of box cars in the past. In those days, when a brakeman met with a misfortune between the bumpers or on the tracks, a collection was taken up for him all along the line. Charity fed him while he was in bed and buried him when he died.

Lee, gladiatorial of jaw, square of trunk as a block of granite, came to his present post through the ranks. That is testimony enough as to his strength. Brakemen, once, like himself, had no standing as citizens, nor rights in their hard and hazardous employ.

Now, in the little railway centers of the country, brakemen own property. They belong to churches and societies. Some are village councilmen and directors of the public schools. Lee and Patrick Henry Morrissey, who looked and dressed like a banker and talked like a lawyer with a flourishing practice outside the courts, and who died the other day, a railroad officer of a great line, toiled side by side for fourteen years and brought these happy changes to pass.

The place of Warren Sanford Stone, among the big chiefs who besieged Congress, was less militant than advisory. Stone went willingly, or was maneuvered into strange company. It was the policy of Peter M. Arthur, whom Stone succeeded in 1903, to keep the engineers clear of labor unions. Arthur made the engineers famous and successful. This he accomplished by minding his own business. The boycotts and strikes of others were only of passing interest to him and his organization.

"Your object, apparently," a railroad president said to Arthur, with a note of contempt in his words, "is to establish an aristocracy of labor."

A man who was present described the scene and repeated the language there spoken to the writer of this article.

"If persuading Americans to pay their debts," Arthur answered, undisturbed and with dignity, "to keep away from saloons, to become taxpayers, to be good citizens and to understand their responsibilities as heads of families means that we are trying to form an aristocracy of labor, then the Brotherhood of Locomotive Engineers pleads guilty to the charge."

Arthur, a Scotsman by birth, was an engineer on the New York Central Railroad for many years. His salary as chief of the engineers' brotherhood was \$3,000 but was increased to \$5,000 some time before his death. He lived economically, bought unimproved real estate in Cleveland with his savings and amassed a comfortable fortune.



Gladiatorial of jaw, square of trunk as a block of granite, Lee holds that no struggle is ever really ended until one side gives up or is chased off the field



The character that Arthur gave to the engineers was the same that he had established through a long life for himself. He was wise, shrewd, silent and grave. Stone fell heir to Arthur's policies. And then changed them, as was seen last year, in one essential respect.

TWO of the chiefs, Garretson and Stone, are Iowans by birth. Lee comes from Illinois. The father of Stone owned a large prairie farm. Corn was low and interest high. Even so, Stone, meaning to read law, entered college. But "several of my brothers," he told the author of these lines, "were railroad men and the life they led—eating at restaurants, instead of at home and so on—together with the wages they earned, lured me into a fireman's place on the Rock Island Railroad."

After four years and a half, Stone now twenty-four, was given an engine. He was an engineer for two decades, on the railroad where he began as a fireman. Then Arthur died. The brotherhood voted him Arthur's place, sending him the news by telegraph. His salary is \$10,000 a year. The brotherhood owns a fourteen-story office building in Cleveland and the New York Central Railroad is one of its tenants.

Such briefly pictured, are the orator, the warrior and the counselor who drove the eight hour law into the sheepskin statute book of the United States. In some libraries, the book may now be bound in calf or goat. The three are not common men. Besides, they are Americans, born and bred. It is well to put a thumb-pin into that unconsidered fact.

Within a pulpit, Garretson would do well. Or he could act—professionally. Lee, plain-speaking, obdurate and uncompromising, would tunnel the Atlantic, once he began the enterprise, or die at his post. Stone could be a man of business, as well as not.

The fourth, William S. Carter, chief of the firemen, has, through his adventures, the best personal story of any in the group. He was the strategist who helped to arrange the ropes. It was Carter, small, spectacled, in motion constantly, whether sitting down or standing up, who negotiated the treaty between the brotherhoods three years ago last summer in the city of Washington.

The bargain was not put in writing but the four organizations were interlocked by an alliance in respect to wages and hours of labor. Eight hundred firemen, meeting in secret, halted their proceedings on two occasions and listened to addresses from Stone and Garretson. Mr. Stone had traveled from Ohio and Mr. Garretson from Iowa, under an arrangement with Carter, purposely to say that "the

men who run the trains" and move the products of the country should, in self-interest, stand together.

Coming from Texas and Massachusetts, from Cheyenne and Philadelphia, the firemen, on departing for their homes, knew that a battle was brewing. The four leaders of the four brotherhoods, they understood, would decide the day when the cannonading should open.

Carter is middle-aged, like the rest. His father, a Confederate soldier, died at Vicksburg. His mother married a rancher in Texas at the close of the Civil War. Carter (so "Pop" Leach, who organized the firemen in 1873, has said) can talk all day and hold his audience intact. And yet he left school and went to live with the cattle when he was nine years old.

"Our house," so runs his story, as related to the author of this article, "was made of hewn logs. We had four rooms downstairs and two in the story above. Comanches were numerous. They stole horses and murdered settlers, as a side line to their regular business.

"There were loopholes under the roof of the house, through which to fire our rifles, and auger holes in the logs near the ground, to which, at night, we chained our horses. Austin, a ragged and unpainted village then, was fifteen miles away.

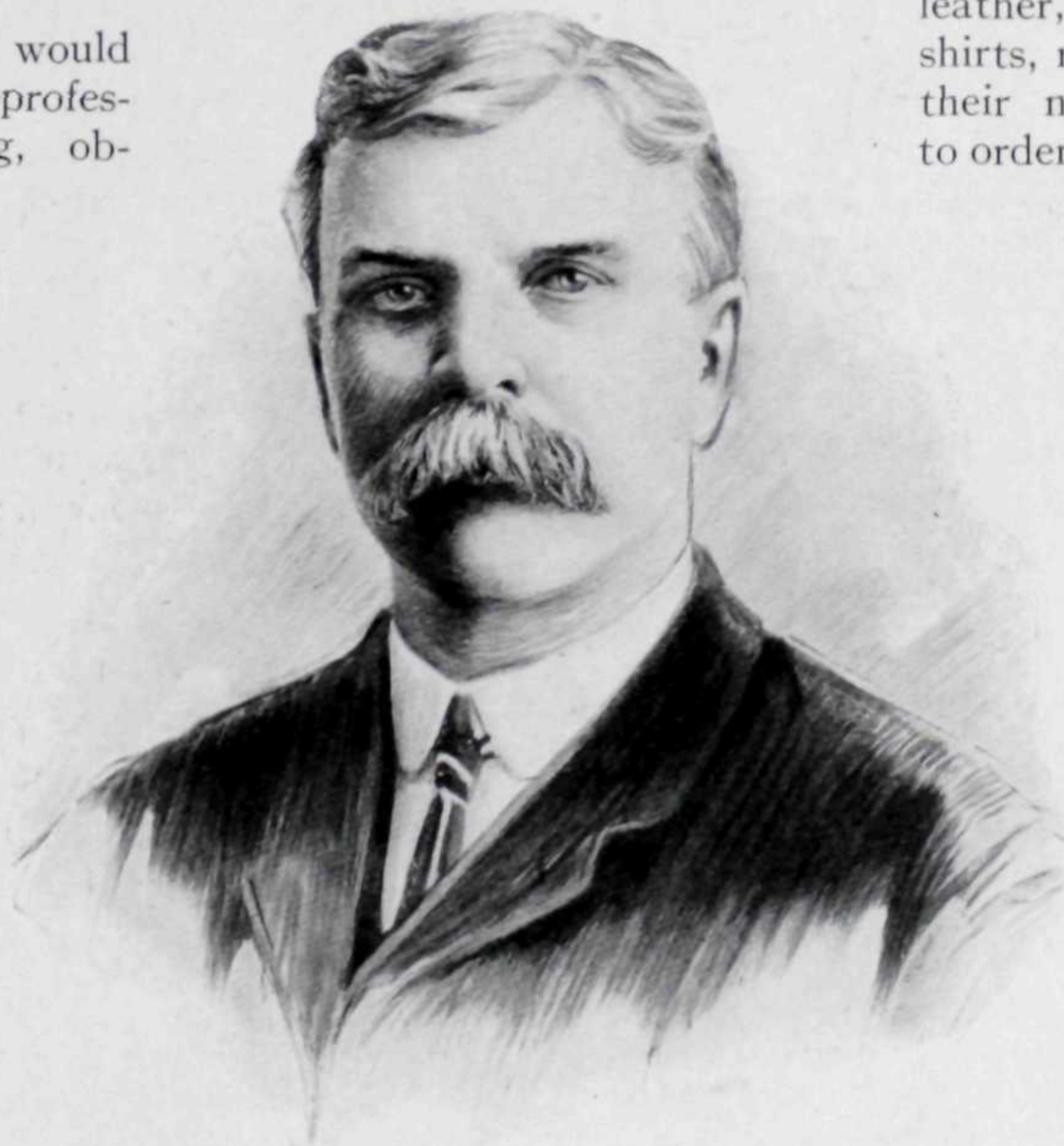
"I became a cowboy long before I could climb on the back of a pony unassisted and spent weeks on the plains, driving cattle northward to the railway in southern Kansas. The cowboy of fiction always wears goatskin leggings. Real cowboys wore leggings of smooth leather, jeans trousers, blue flannel shirts, red cotton handkerchiefs around their necks and fancy boots made to order. Often their hats cost \$12.

"There were homicides I admit, but the victims and their murderers were the riffraff of the ranges. They were the ruffians who shot up the towns when drunk and were eventually shot up themselves by the Texas Rangers. I associated with cattle and cowboys until I was eighteen, living out of doors winter and summer and carrying books along so that I could read in the saddle or on the ground when we camped at night.

"A man, Baker by name, owned a ranch and 800 cattle twenty miles from our headquarters. He wanted a manager to tidy up the place so that he could sell out and quit the business. I was recom-

mended to him by my step-father.

"When the ranch changed hands, Baker telegraphed—the message being brought many miles over the prairies—that he would like to hire me as the superintendent of his tramroad. I wired my acceptance, though tram-road was a word that I had never heard of before.



Stone, meaning to read law, entered college. "But several of my brothers were railroad men and the life they led—eating at restaurants, instead of at home and so on—together with the wages they earned, lured me into a fireman's place on the Rock Island Railroad." Now his "wages" are \$10,000 a year



"Part of my journey was done in a day coach. It was a strange experience. Up to that time I had always traveled on horseback. I had a gun on my hip and was ready for all comers. Red morocco was inlaid on the tops of my black boots. A new handkerchief was around my neck. I asked no questions and gave no information.

"The tram-road, I found, led from the railway to Baker's sawmills, seven miles back in the forest. The ties were slabs and the rails were wood. Each train consisted of one car. It was pulled by three mules hitched in single file. The engineer was a colored man with a loud voice and a black-snake whip.

**I** LIVED well and bossed thirty negroes and a barnful of draft animals but civilization grew monotonous. I wanted to go somewhere, to leap on a horse and ride away. Down at the railroad station I met Jack Grant, one of the engineers. He wore blue overalls and a jumper and looked rather careless and gay, especially when he hopped out of his cab with a long oil-can in his hand.

"Jack was imaginative, optimistic and eloquent. 'It's life on the rail for me,' said he. 'Here to-day and there tomorrow,' he added, and I believed him, although he was running a freight.

"I supposed, without thinking, that an engineer just kept on going. I did not realize that he moves back and forth year in and year out over the same stretch of track. Looking at the mountains, I wondered what the people were doing on the other side.

"Jack Grant got me a fireman's job. I gave up \$100 a month for exactly half that amount. I am glad that I took up railroading. I have scraped the bottom of the barrel at times but life, barring a jolt now and then, has been a happy song to me.



Carter, small, spectacled, in motion constantly, whether sitting down or standing up, can talk all day and hold his audience intact. He left school and went to tending cattle when he was nine years old

**A** FIREMAN makes the steam that moves the nation's goods and passengers. It's a man's job, all right. Nowadays, it often means the handling of twenty tons of coal to the trip. When the tender is long, some of the coal has to be shoveled twice.

"I felt like an escaped slave as I rolled past or stopped at the junction where the tram-road, with its mules and negroes, hit our line with its boards and planks. Later on, I fired elsewhere in the Southwest and in Mexico. At last I was given an engine. Then, having to change my location because of illness in my family, I had to go back to firing.

"In the meantime I had been discussing economic questions in our magazine and going to conventions. I became editor of the magazine, then secretary and treasurer of the brotherhood and in 1909 its president."

Garretson ceased to be a conductor, Lee a brakeman, Stone an engineer and Carter a fireman many years ago. The evolutionary process of growth has gone on with them, just as it has with lawyers, physicians, railway men and manufacturers.

They have not been dealing with materials but with men—men wise and foolish; men bold and timid; men rash and prudent; men fair and fanatical; men taciturn and garrulous. They have become experts, the chiefs; and what more is Congress in its human elements, to them, than a body of their own brethren?

"Man, as has been written," Thomas Carlyle notes in one of his books, "is forever interesting; nay, properly, there is nothing else interesting." "And," he might have added, "likes to be led"—a truth that the four chiefs long ago found out for themselves.

## Our Trade Lookout In London Town

**T**HE latest link in the chain of business organizations that is forming, not only in the United States, but in foreign countries as well, for the protection and extension of American trade is the American Chamber of Commerce in London.

The objects of the chamber are to further the development of commerce between the United States and Great Britain, to investigate questions pertaining to their commercial and industrial relations; to collect and distribute statistics and information; to promote American interests, and generally to encourage and facilitate the

transaction of business between the two countries. Political discussions are to have no place in the program of the new association.

The president of the chamber is G. M. Cassatt, of the Remington Typewriter Company. Mr. Cassatt is an American who has lived in England for the past fifteen years. One of the chief movers in the organization of the chamber he was in the United States at the time of its formal institution and received word by cable of his election to the presidency.

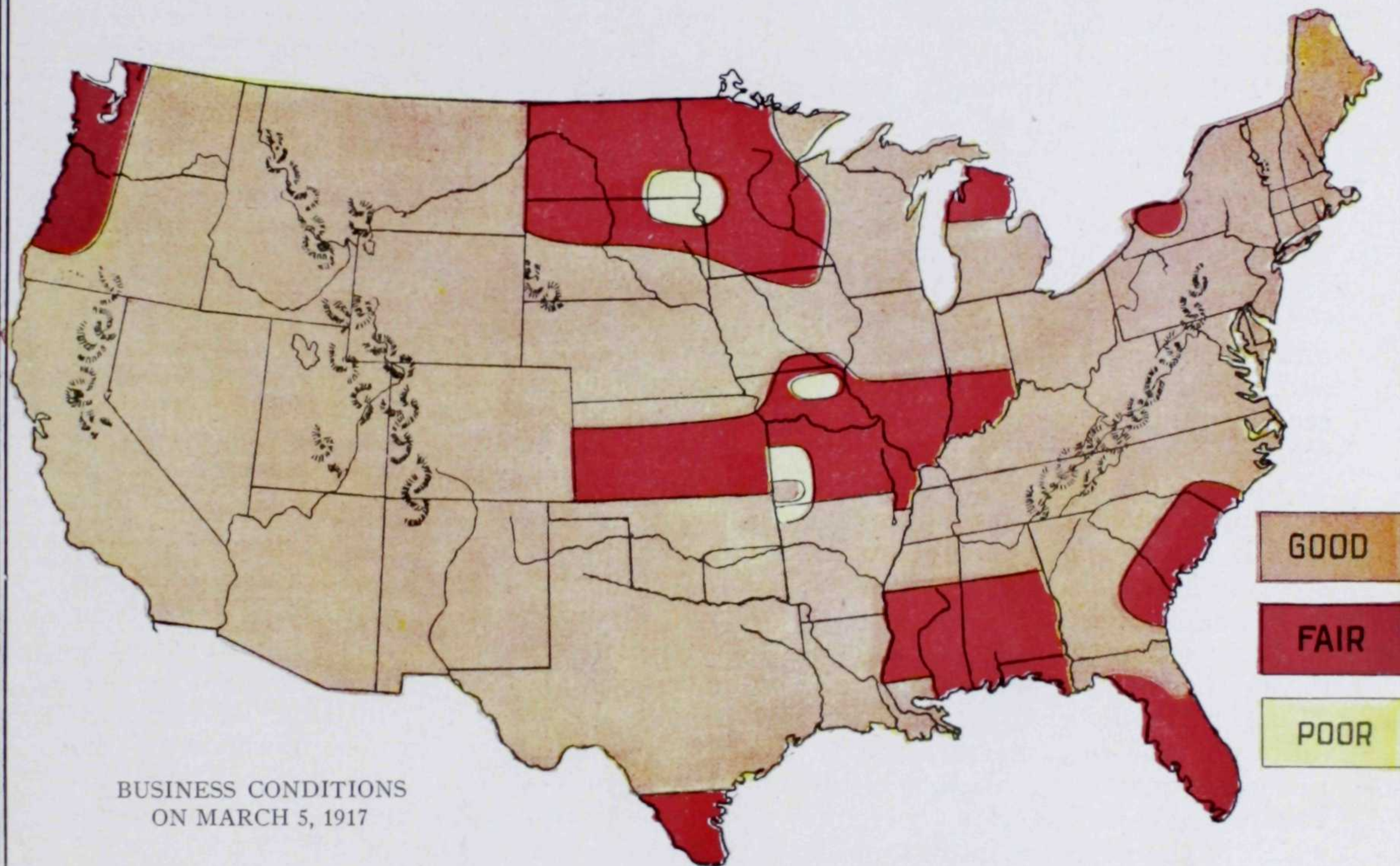
Wilson Cross, of the Vacuum Oil (Continued on page 52.)



## MONTHLY SURVEY OF THE NATION'S BUSINESS

By ARCHER WALL DOUGLAS

THE present serious food situation, both here and in Europe, emphasizes our entire dependence upon agriculture, not only for national well being, but for our very existence. So far as the actual supply of food in this country is concerned, it can be said very definitely that there is sufficient food for all of our reasonable needs until the coming harvest; this too despite reduced yields of the principal agricultural staples last year, and the unprecedented foreign demand for food stuffs. There are, however, serious factors of disturbance, chief among them being our inefficient and expensive methods of distribution, which still persevere because no better way has



yet been found. This is further accentuated by freight congestion and consequent embargoes. It is impossible to say to what extent speculation plays a part in the enhancement of food prices, but it is doubtless a factor to some degree. Beyond this is the fact that prevailing high prices make food purchases in sufficient quantities largely prohibitory to many. General relief can come only from the yields of approaching harvest, so that the growing months that lie ahead are fraught with the deepest interest and importance not only to us but to all Europe. The only growing crops at this time of much moment are early vegetables, semi-tropical fruit, winter oats, and winter wheat.

In the latter part of January and early in February, a severe cold wave overspread the entire South, with consequent lowest temperatures for twenty years. In Southern Louisiana and in Florida young citrus groves were killed and some damage done to older trees. From Southern Texas eastward to the Atlantic Ocean, and from extreme Southern Florida northward to Norfolk, Virginia, early garden truck suffered severely, especially in the South Atlantic states. In some sections of Florida and South Carolina growing vegetables were practically destroyed. Much replanting will be done, as the season is still very early. The Southern Cotton Planters find some silver lining to the



cloud in the general belief that the prolonged low temperatures have probably killed many of the hibernating boll weevils.

Winter oats are practically raised entirely in the Southern states, and while the acreage is larger than last year, there has been much damage from cold and freezing. Winter wheat needs moisture very urgently in all sections of Kansas and to a less extent in much of Missouri and Oklahoma. In these states the plant has been exposed to very low temperatures with no protecting snow covering. There is consequently fear of winter killing, but nothing definite can be known till later. Fortunately winter wheat is a hardy plant and has both great endurance and strong recuperative powers provided the roots be not injured by exposure to cold or from lack of sufficient moisture. In other sections of the winter wheat belt, other than the three states named, the growing plant is generally in good condition, and lies under a blanket of snow northward from Kansas and Missouri, and in the Northern halves of the country between the Great Lakes and the Mississippi and Ohio rivers. The important spring wheat states, the two Dakotas and Minnesota, are buried under snow drifts that will furnish abundant moisture for the spring seeding in April. There are great deposits of snow in the Western mountains which promise sufficient water for the irrigated districts in those sections.

Cattle on the northwestern grazing ranges have suffered severely because of the deep snows and low temperatures and have had constantly to be fed and taken care of. Despite the great and unprecedented demand from Europe and warring nations, and the high prices which tempt farmers to deplete unduly their flocks and herds, food animals, other than sheep, show some slight increase in numbers over twelve months ago. The situation, however, is very spotted, since livestock is abundant in some sections, and not so numerous in others, according as to whether feed is plentiful or scarce. The most gratifying increase is in dairy cows, for that is a permanent addition to the wealth producing capacity of the country. The dairy cow gives from two to ten times her weight in milk annually, usually pays for herself the first year, and after that is a better investment than a gilt-edged bond. This interesting, though prosaic, creature is likewise the foundation of a great manufacturing and distributing business in all manner of dairy supplies. She is bereft, however, in these practical days of her former companion, the dairy maid of Mid-Victorian romance, for milking is done nowadays either by men and boys, or else by machinery.

That the livestock of the country has more than held its own under adverse conditions is due in large measure to the untiring, intelligent campaign waged by the Federal Department of Agriculture and the Agricultural Colleges of the State Universities, against infectious epidemics, such as foot-and-mouth disease, and hog cholera, which in the past few years took heavy toll of the farmers' flocks and herds. Indications point to an unusually large acreage this spring in all agricultural products, provided the weather be favorable, and it be possible to obtain needed seed of good quality.

Freight embargoes continue to be a serious factor in the business situation. Yet the wonder is that the volume of business continues so large under the handicap of slow and inefficient transportation and continued advances in the price of commodities. Prevailing abnormal prices are a source of increasing concern to every merchant as to their ultimate effect upon demand, and the danger runs in being caught with a large stock of costly merchandise on hand when the day of adjustment arrives. Hence it is that caution rules in all commitments, and yet there is no hesitation in providing ahead in moderation.

Among the many there is little or no concern over a possible inflation because of our increasing stock of gold. The belief that the amount of money in circulation has a direct effect in advancing prices is one of those antiquated economic theories that will not stand the test either of facts or intelligent analysis. The truth lies in the simple statement that the amount of money in the country has effect upon commercial activities and consequently upon demand, and thus ultimately *(Concluded on page 52.)*



# Now, On The Other Hand— Maybe the American Who Has Been Getting a Morsel of Foreign Trade Will Not Have to Call in His Men When Hans and Hippolyte Come Marching Home Again

By PETER APPELBOOM and J. WAINWRIGHT EVANS

Decorations by Charles E. Howell

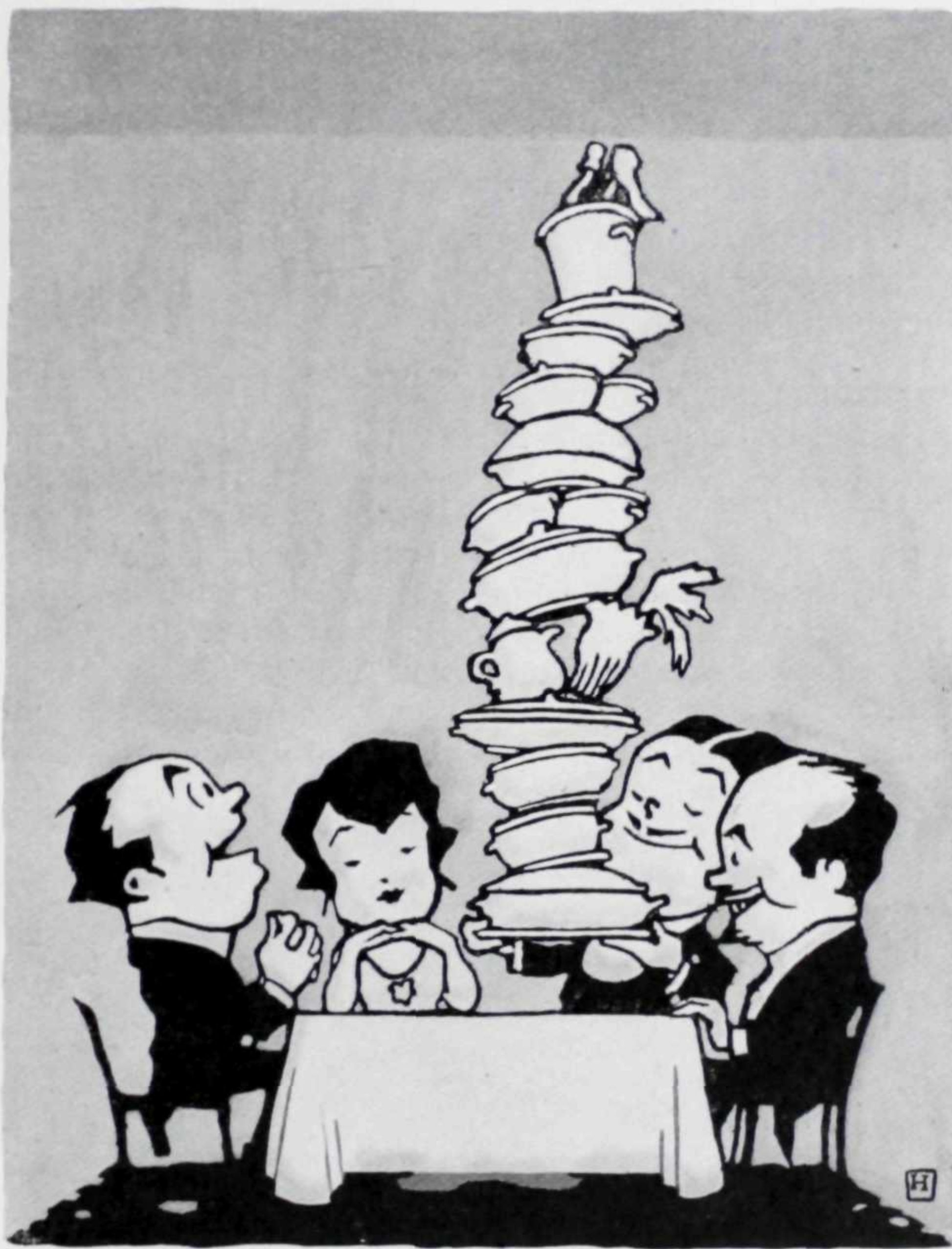
**W**HEN Europe shall have got her house in order after the war, will she be able to wrest from us our rank as a first-class exporter of manufactures? In 1916

we sold \$3,000,000,000 worth of manufactured goods abroad. No other country in any year has ever done so well, the nearest approach being England's record of \$2,000,000,000 in 1913.

The war is not the sole cause of our phenomenal strides, despite the fact that as the direct result of it we are selling to the fighting nations, besides munitions, commodities which they produce for themselves in times of peace, and despite the fact that we are supplying the needs of many former customers of those nations. For although at the outbreak of the war the total value of England's exports of manufactures stood first, Germany's second and ours third, we were gaining more rapidly than any other country in the world. In the period from 1903 to 1913, for instance, England's exports of manufactures increased 77 per cent as against Germany's 115 per cent and France's 65 per cent. In the same period, ours increased 153 per cent.

Will peace stem the tide of that increase and deprive us of the new customers the war has brought to us? Have we learned nothing by our experience? Don't we know any more than we did in the beginning about the idiosyncrasies, the likes and dislikes of the foreign buyer, what kind of goods he wants and how we must conduct ourselves in trading with him? Have we in the past, as we have been told so often, failed to use common sense in our foreign trade? If so, what is the explanation of that 153 per cent increase? The critics of our methods—and it would seem from the babel of voices arising on this subject that everybody has turned critic—will answer perhaps that we have prospered in spite of the stupidity they allege, and that there is no

telling what we might have done if we had been more efficient according to their standards. The writers of this article see a resplendent future for us provided we prepare now to ride the flood when it comes.—Editor.



In France—Parbleu!—the merchant takes his wife and the salesman out to dinner.

**C**ERTAIN persons, who were doubtless created for some purpose or other, are just now busily engaged in wet-blanketing the general hope that the United States will have an opportunity to participate largely in foreign trade after the war, and so have a share in shaping the new commercial order of things. These prophets point out with a sort of lugubrious glee that our present prosperity is as temporary as a mushroom; that we have gorged gold as a result of the war, and shall presently have to disgorge it under the compulsion of a trade competition against which we shall be unable to contend. Europe will devote every ounce of energy, efficiency and experience she possesses to the developing of a great export trade. Europe, in other words,

will have to make money to ease her of her poverty and her wounds; and the supply of gold, now heaped up here, will flow out and find its natural level again.

They admit that such an equalization is right, and inevitable, and that we ought not to want to keep all that gold even if we could keep it—which we can't. But they hold that this process, though natural and right, is going to come with such a rush that America, so far as foreign trade is concerned, will be hurled off the commercial map. What they will not admit is that American business may be able to ride the flood when it comes, if only it can be persuaded to build the ark while there is yet time.

On the question of how Europe is going to do it, these prophets are quite specific: In the first place, Europe will compete against our high-priced labor with a great



army of cheap, skilled female labor which is even now being trained because of the lack of men. In the second place, Europe will practice more economical and efficient methods of production than we, and so undersell us. And here, of course, enter "German efficiency" and other venerable monsters of its kind. In the third place, Europe will have the advantage of thorough familiarity, through past experience, with the markets and commercial methods of other countries, with their languages and customs, and with the temperamental peculiarities of their people, while we, on the other hand, have almost no business men, young or old, who can speak foreign languages or who know anything at first hand about foreign conditions. In the fourth place, Europe will have the advantage of being already known in countries where American firms are only slightly known at the best, and she will, therefore, in many instances, need only to resume, when peace has again been established, activities in which she was engaged before the war.

ALL of which, it may be admitted, feels like pretty hard hitting. "Where do we come in?" wail the prophets. "What's the use of these idle dreams of commercial worlds to conquer when we are going to have our hands full saving the frail structure of American business from destruction, or, at any rate, from a very bad case of palpitation of the heart or something worse?"

We come in partly through the fact that the contention that Europe will be too poor to buy our products is manifestly false. Although war means waste and poverty, Europe is paying for part of that waste right now in hardships and deprivations that mean economy if they mean anything. And, secondly, there are certain things which Europe will have to have, and which it can get cheaper and better from us than it can produce them itself. This does

not necessarily mean cheaper in actual cost, but cheaper in the service returned for the money expended. Here are a very few of the appliances necessary in these days for the economical management of modern life, things

which it would be the worst kind of extravagance to do without: typewriters, low-priced automobiles, adding machines, cash registers, loose-leaf bookkeeping systems,

fountain pens, watches,\* rubber goods of best quality, durable shoes.

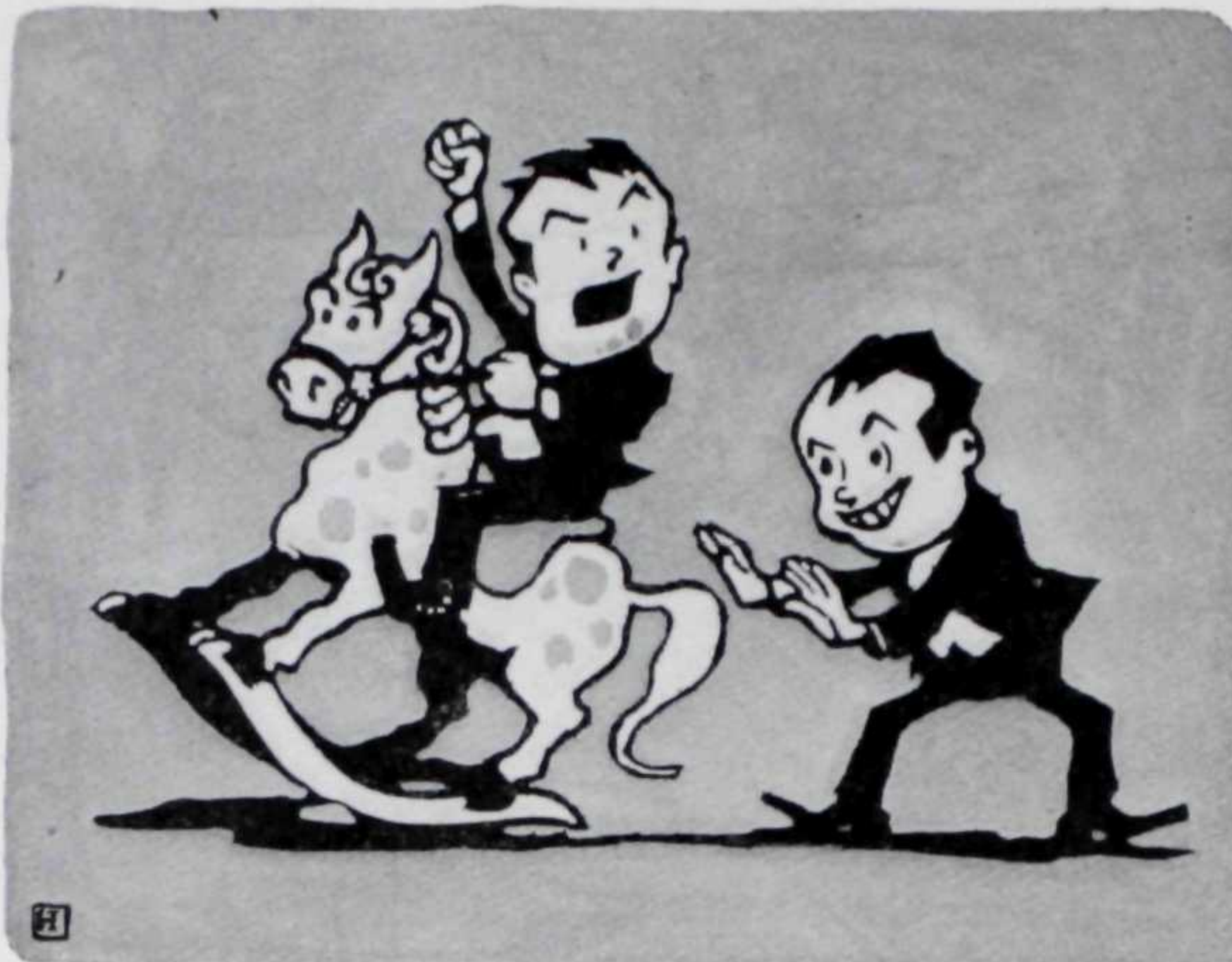
Europe cannot compete with us in the making of these and many other specialties, such as agricultural machinery, any more than we can compete with Germany, for instance, in the production of

things in which she has specialized, such as dyes, lenses, scientific instruments, and the like; or with England and France in their special lines. Europe, in short, has no monopoly on efficiency, even though it may have cheap labor; and it is cheaper for Europe to buy certain things from us than to get them from European makers. Before the war the American watch was rapidly displacing the Swiss watch in Europe, simply because we are producing, through specialization, a better article for the

money than the Swiss are producing. Our rubber goods cost 25 per cent more than German rubber goods, but last twice as long. Rubber goods is a thing Europe must have, and must buy from us. And it is so with every other article in the representative list given above.

IT is the same with food-stuffs. Europe must have food, and it must buy it where it can get the most for its money. Breakfast foods, bacon, canned pressed beef, corn and corn products, wheat and wheat products—one could go on indefinitely with an endless list of these necessities. Europe will buy necessities first and will pay her debts later with what would otherwise be wasted on

luxuries. The least she can manage to consume of American products will represent an enormous total. Sellers of luxuries, of course, will not gain from this condition, but the man who is producing economically



He discovers the hobbies of his customers and rides them.



If only American business will build the ark while there is yet time



certain necessities of civilization has great possibilities ahead of him.

It is a matter of ascertaining conditions and meeting them, in Central and South America, as well as in Europe and the Far East. An American piano might warp in the dampness of Costa Rica, and the white ants might eat the wood, so a German firm will import wood from Costa Rica, which is ant-proof and damp-proof, and make their pianos for Costa Rican trade from that. The remedy for foreign competition is just the same as the remedy for any other kind of competition: Produce the best article for the money, and advertise and sell it by methods that will succeed in the country where they are used. Americans do this with certain products; they don't do it with other things because they don't apply common sense to the production of them. Pianos are not the only thing we can't sell in Costa Rica. Trousers having metal buttons, for instance, won't sell there; the buttons rust. The obvious thing for American business men to do is to investigate conditions in countries where they want to sell. Europe has just one magic formula for this kind of thing; it is called Horse Sense.

THREE months ago an American salesman was searching Paris for a certain kind of leather goods. He could have made a \$20,000 sale if he could have found the material. Later, his firm wrote to him that their French agent had always told them that there was no market for that particular article. In other words, they had relied on information given them by a foreigner who knew nothing about the article to be sold or the effective way to handle it. Many of these foreign agents represent twenty or thirty firms, and they simply wait for the orders to come and knock on the door. The moral is, do it yourself, or let your own personal American representative do it, and *do it in French*, or in whatever may be the language of the country.

An intimate understanding of the business of a prospective customer is as much a salesman's stock in trade in Europe as in America, and this takes a personal touch which is impossible without a knowledge of language. It is the more vital in Europe because the average retail business is jointly conducted by the merchant and his wife, and the acquaintance of both must be cultivated. Thus it becomes in part a problem in the social graces. In France a merchant takes the salesman home to dinner instead of to the club, as in the United States. Or the salesman may accompany the merchant and his wife to a café, where no business is allowed to intrude till the social side of the occasion has crystalized. Without French that sort of thing can't be done.

One salesman makes it a point to discover the hobbies

of his customers and rides them all when the opportunity offers. He has a record of birthdays that fills many pages in his notebook, particularly the birthdays of the children, and sends post cards and other small remembrances from wherever he may be upon the important day.

Foreign firms send English-speaking representatives to this country. Sir Thomas Lipton has the largest tea trade in the world. He sends representatives to all countries. If he sends a man to South Africa, that man can talk Dutch, and knows the tea business at both ends of the line. Another characteristic of these master traders is that they apply everywhere the business methods which they have found effective in their own countries, making only such modifications as are necessitated by the special business customs of the countries in which they sell.

TWO modifications which have to be made on the Continent of Europe and in many parts of South America have to do with credit and with the collection of accounts. In Europe, for instance, thirty days is cash; and three months is the ordinary basis of payment followed by every business firm of standing. Credit is established through agencies similar to Dun or Bradstreet in this country. Accounts are collected through the banks, not by the check system, which is generally mistrusted. A merchant deposits his drafts at his bank at the end of each month. He is credited by the bank on the spot with the amounts to be collected, and the bank does the collecting later. Of course this implies unimpeachable standing on the part of the merchant. A salesman who tried to overstep usages of this kind would lose many customers, because retailers will not adjust themselves to conditions imposed from without. They will simply buy elsewhere.

Ill considered, headlong advertising is one of the rocks on which many an attempt at foreign trade has split. Advertising agencies in a country like France can

place advertisements and are worth employing, because they get their commission from the paper, not from the advertiser. But they can give no reliable information as to which paper gives the best returns. The only course is to try the different papers with small amounts of advertising and test them by results before giving large contracts. In France the big papers reach every part of the country, just as do our big magazines here. It is therefore a special problem, not to be solved off hand. Another

big fallacy in foreign trade is the translated advertisement. The success of an advertisement in America

does not mean its success in countries whose people differ from us in their general psychology to a startling degree. Broad assertions that an article (Concluded on page 22)



Prominent hobgoblins of the exporter.



# Here is the Iliad of Pig Iron

## Schwab Was in Short Dresses

### When Samuel Croxton Took off His Blue Uniform and Entered the Business Whose History for the Half-Century is Found in the Record of His Doings

By JAMES B. MORROW

SOMETIMES the story of a man is the story of a great industry (as the story of another man may be the story of a nation or a dynasty); not that he has created the industry, or ruled it when created, but that his knowledge and adventures, when summed up, total about all one cares or needs to understand of the industry itself.

Samuel W. Croxton, who has been making pig-iron for fifty-one years—and nothing else, except money, intermittently—is a man of that sort. Meanwhile he has been a close and philosophical student of cycles, or revolutions of time, that bring to the iron business, especially, fat days and lean days in turn. Even so, to repeat his own phrase, he has suffered in his mind, more than once, all the pangs of bankruptcy. "Fortunately," he cheerfully adds, "the road always veered a little before we reached the cliff."

Mr. Croxton is more than a "typical iron-maker"—he is, perhaps, in age and achievements *the* pig iron-maker of the United States. Plenty of men made pig iron before he did but all of them are dead. Carnegie and Phipps were manufacturers of steel. Frick, after leaving his grandfather's store and distillery, went into coke. Schwab was three years old when Croxton, back from the Civil War, began as a shipping clerk at the Ohio blast-furnace of Daniel P. Rhodes, who, only the year before, had become Mark Hanna's father-in-law.

A slender man, and a youthful-looking man for his years, some seventy odd, recently called on Lemuel P. Padgett, one of the Representatives in Congress from Tennessee. It was Croxton himself.

"On Christmas eve, 1864," he said, "John B. Padgett, a planter living near Columbia, Tenn., took me into his home, gave me a steaming supper and a bed among soft pillows and clean linen. It was the first bed I had slept in for eight months.

"Mr. Padgett was a Confederate. I was a quartermaster's clerk in the Union army. That day I had

picked up a stray horse, saddled and bridled. The next morning after breakfast I gave the horse to Mr. Padgett's son, a small boy who had been looking me over rather curiously. I was no more than a boy myself, you understand. Can you tell me," Mr. Croxton asked, "anything about the Padgetts?"

"As I was the boy to whom you gave the horse," Lemuel Padgett, the Congressman heartily replied, "I am in a position to answer your question."

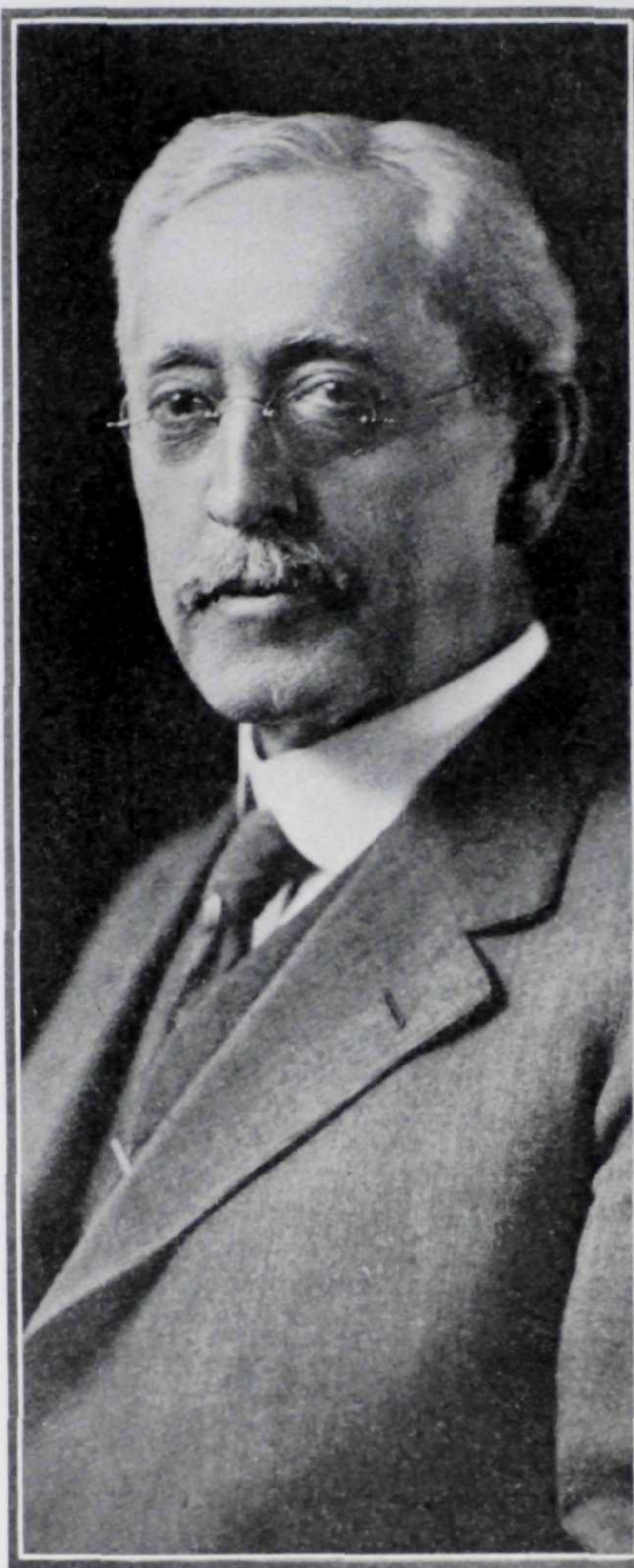
The furnace in Ohio at which Mr. Croxton found employment as shipping clerk, after the war was over—salary \$40 a month—is still making iron and is again the property of the company organized by Daniel P. Rhodes. Several of the Hannas are stockholders. A history of that furnace, with its ups and downs, is the history in miniature of iron-making throughout the United States since the year 1865. Therefore it is important. It ought to be interesting.

Moreover, it shows that the capitalization of anticipated profits is not a modern invention. Daniel P. Rhodes, a half century ago, put the idea in practice. Rhodes, a resolute and imperious person, was a fierce Democrat and a relative of Stephen A. Douglas. "I like you well enough," he told Mark Hanna, who was courting his daughter, "even if you are a d—— screecher for freedom." Then, as always, Hanna was a Republican.

"The manufacture of iron," Mr. Croxton said to the writer of this article, "next to agriculture, ship-building and fishing, is our most ancient industry. It was begun three hundred years ago on the banks of Falling Creek in Virginia.

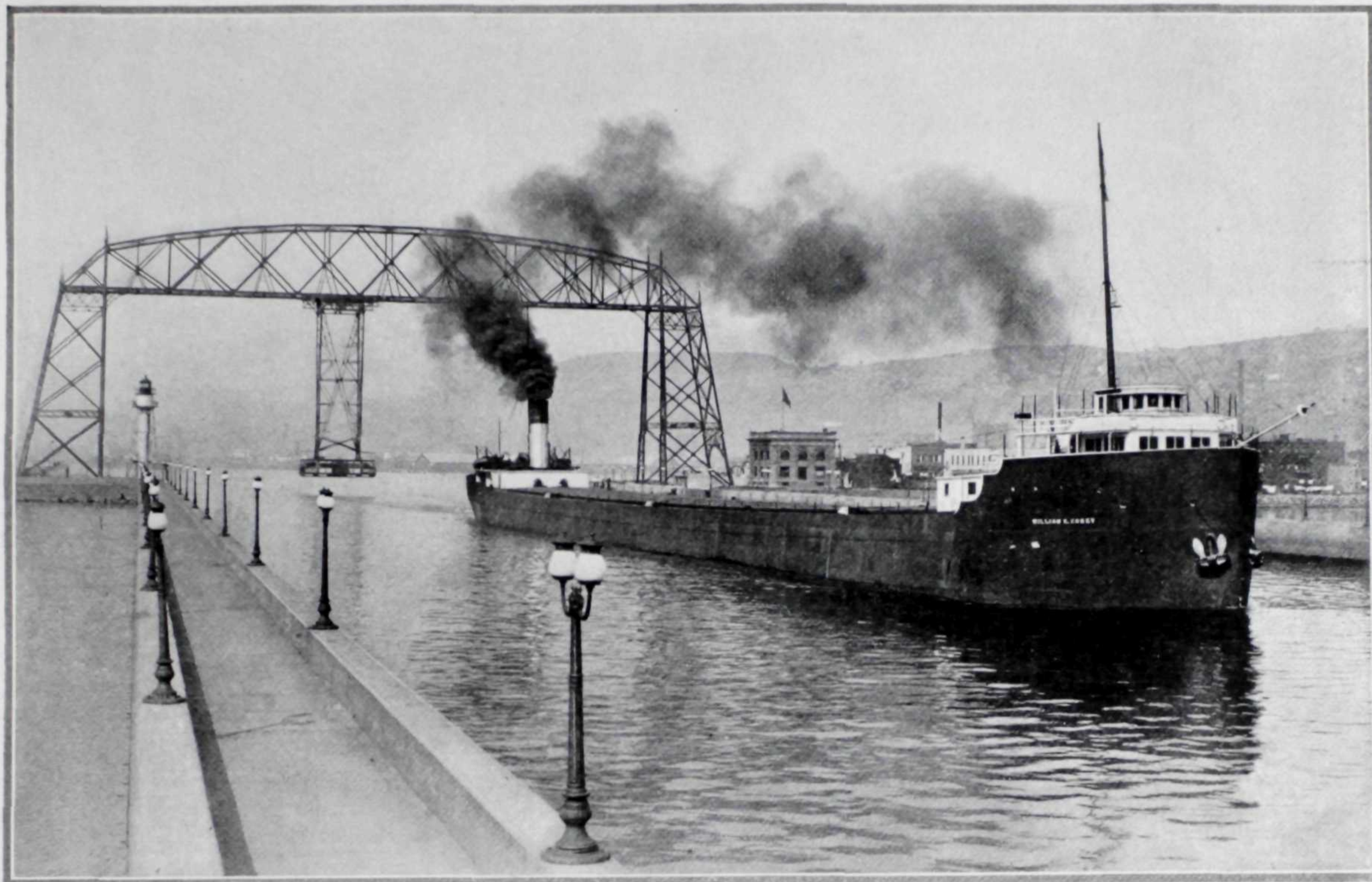
Indians, however, destroyed the furnace in 1622 and massacred all of the 347 inhabitants of the village, except a boy and girl.

"No attempt was made to reestablish the industry until 1642, when Joseph Jenckes arrived in Massachusetts from England and started making iron with charcoal from ore found along the Saugus River. Bar-iron then



He has been making pig iron—and intermittently money—for the last fifty-one years.





A great shipping industry is engaged in the transport of Lake Superior's ores. The picture is of the entrance to Duluth harbor, showing the suspended car ferry and one of the big ore carriers.

brought 20 pounds per ton, the equivalent, possibly, of \$300 a ton now.

THE first iron sold in Pittsburgh was freighted into that city on the backs of horses from Bellefonte, some 120 miles distant. It was manufactured by Philip Brenner, who fought in the Revolutionary War while a boy. It is said that his mother quilted money in his vest which he was to use if made a prisoner by the British.

"The famous Peter Cooper, in 1828, built the Canton iron-works at Baltimore. He took shares at \$44 each, when he disposed of his interest, which he later sold at \$230. Cooper also built three furnaces at Easton, Pa., the largest in the country, and constructed a railroad to his ore mines, eight miles back in the mountains. The transportation adjunct of the United States Steel Corporation, therefore, was old in principle, though it was applied on a very large scale.

"Among the earliest iron-makers in the West were the Zoarites, a band of German co-religionists and communists who settled in Tuscarawas County, Ohio. A furnace was built near their village in 1828. They supplied it with charcoal and eventually had to take the property in payment for their bills. A second furnace, which they projected, made iron as late as the year 1855. The output of this furnace was never more than three tons a day.

"From 1851 until ten years later, David Sinton, whose only daughter and heir married Charles P. Taft, brother of the former President, manufactured iron in southern Ohio at a cost of from \$10 to \$13 a ton. Users being un-

willing to buy it at what he said was a fair price, he piled it up along the Ohio River. 'Poor Dave Sinton,' bankers in Cincinnati said. 'He has a mile of iron rusting in the sun and rain and will be ruined.' The Civil War, however, saved him. Iron jumped to \$75 a ton and Sinton sold out at that figure.

"But the war did not make all of the men rich who were engaged in the iron business. A furnace at Dover, seven miles from the two at Zoar, lost a good deal of money. This furnace was one of the largest in the West. Its calamities and its subsequent successes are strikingly illustrative of the hard beginnings and the wonderful growth of the pig-iron industry in this country.

THE Dover furnace was built in 1855 with local money. Pockets of blackband ore had been found in the neighborhood and there were visions of a great iron city and a rush of men and cash into the community. The capitalization of the furnace company was fixed at \$30,000. And it was large enough for the task in hand. A furnace with a single stack now requires an outlay of at least \$1,000,000.

"After an experience of two years, the Dover iron-makers were glad enough to sell out and assess themselves another \$30,000 with which to pay their obligations. Two men from New York then became the owners of the property. The price of iron went to \$85 in 1864 but paper or legal-tender money was so much depreciated that \$85 was equivalent to only \$35 in gold. Nor did the New York men succeed in manufacturing iron at a profit.





Iron ores are widely distributed in the United States. Hematite which yields 93% leads in importance and is found largely in the Lake Superior region—Michigan and Minnesota. The deposits are mostly near the surface. After removing the overburden, the soft granular ore is excavated by steam shovels which deposit it directly on the cars. The one pictured here, at Hibbing, Minnesota, picks up five tons at one clip. A single mine in Minnesota in 1913 produced 3,457,608 long tons of ore. Most of the ore is destined for the manufacturing centers of western Pennsylvania.



"Iron at that time was made of charcoal, stone coal, anthracite coal and coke. The output of the Dover furnace is now 400 tons in twenty-four hours. In the old days of which I speak, it was eleven tons and in capacity ranked with the best, East or West. Its ore, as I have said, came from the hills not far away. Blackband ore is a carbonaceous or coaly slate charged with iron. The deposits are not continuous but pockety and sometimes are as much as fifteen feet thick.

"The ore is heaped in piles on the ground, after being mined, and is then burned with its own carbon as fuel. Fire runs through the piles and the heat is so intense that the iron sometimes flows out in sheets. This ore, so far as I know, is not used now for the manufacture of iron. The modern method of handling and transporting ores from Lake Superior and the leanness of blackband ore after being calcined—its yield being no more than 40 per cent of metal—makes it unavailable to furnace owners.

"I speak of the blackband ore in detail because it led Daniel P. Rhodes into the iron business and it was Rhodes who persuaded Mark Hanna to quit refining oil and engage in some enterprise that wouldn't catch fire and burn down in thirty minutes. If Hanna had stuck to petroleum he might have become as rich as John D. Rockefeller.

**R**HODES and his two partners, Jonathan F. Card and George H. Warmington, purchased some ore lands near Dover. They traded calcined ore for pig-iron made at Masillon, giving nine tons of ore for one ton of iron. In other words, they received about \$9 a ton for the product of their mine and all they had to do was to dig the ore, burn it with its own carbon and load it into canal boats.

"Naturally, Rhodes began thinking of owning a furnace himself. The Civil War was under way and iron was steadily going up in price. So he and his partners bought the Dover furnace early in 1865 for \$40,000. They had also purchased 600 acres of ore, limestone and coal lands for \$20,000.

"Their investment, accordingly, was \$60,000. They organized a company, turning over to it the furnace and lands, along with some cash, and other ore and coal land for which they received \$500,000 in stock. Rhodes and his partners expected to pay 6 per cent dividends regularly and make the stock worth its face value in the near future.

"There may have been previous examples of what was afterwards known as high finance, or the capitalization of prospective earning capacity, freely guessed at, but none has ever come to my notice. Daniel P. Rhodes was an able, shrewd and dominating man and I have always credited him with the discovery of a way to make money to-day by taking an optimistic view of tomorrow.

"I became the bookkeeper, the time-keeper, the weigher and so forth under the new management. Rhodes didn't know anything about iron-making. Neither did his partners. His manager was equally as unsophisticated as himself, and his bookkeeper, just returned from the war, was not yet twenty-one years of age. The combination was not sensationally capable.

"Well, the fire was lighted and the manufacture of iron

was inaugurated. The first campaign began in August, 1865, and ended fifty-five weeks later. In round numbers we produced 4,500 tons of iron at a loss of \$30,000. Rhodes, a game man, along with his other qualities, and his partners journeyed from their homes and headquarters in Cleveland to the furnace and gravely went into conference.

**I**'LL stick to this ship,' Rhodes vigorously said—he had already become a vessel owner on the Great Lakes—'as long as there is a button on my coat.'

"An assessment of \$40,000 was voted and paid and the fires were lighted again. From that time on the furnace was fairly successful. During the campaign of fifty-five weeks—and the figures, it seems to me, are interesting—it required 8,800 pounds of raw coal, 5,300 pounds of calcined blackband ore and 3,060 pounds of limestone to produce a ton of pig-iron. The cost of fuel was \$23.35 per ton of iron, the cost of ore was \$10.45 and the cost of limestone was \$2.35, or a total of \$36.15 for materials.

"Added to this were \$10.70, as the cost of manufacture, \$2.75 for repairs and \$1.50 for interest, insurance and taxes. The actual cost per ton of iron, therefore, was \$51.10. Sales netted us \$44.35. The loss on each ton of iron accordingly was \$6.75.

"The furnace at Dover has been rebuilt three times since 1865, in 1878, 1895 and 1902—as other furnaces have been rebuilt and modernized in different parts of the country. I was connected with that particular furnace for forty years, first as shipping clerk, as I have related, and later as the bookkeeper, cashier, manager and president of the company.

"The company being eager in the summer of 1881 to sell the plant and ore deposits, gave me an option at \$80,000. I interested J. P. Burton, a western iron man, in the enterprise and through him obtained the cooperation of Edward M. Davis of Philadelphia. Mr. Davis was a Quaker, an enthusiastic Greenbacker, a close friend of Peter Cooper and a firm believer in capitalizing ability, energy, integrity and optimism. His wife, by the way, was the daughter of Lucretia Mott, the great anti-slavery leader.

"We formed the Penn Iron and Coal Company, Mr. Davis advancing \$30,000 in money. A mortgage, due in one year, was given for the balance. The best work of the furnace was in 1897, following the four years of depression that began in 1893. What it accomplished during ten months shows succinctly the progress that had been made in the iron industry within a single generation.

"Fuel for each ton of iron produced cost \$23.35 in 1865. Only raw coal was used. The fuel, thirty-two years later, and it was Connelville coke, brought in by rail, cost \$2.40. We burned 8,800 pounds of coal in 1865 and 1,900 pounds of coke in 1897.

"It took 5,300 pounds of blackband ore, costing \$10.45, to make a ton of iron in 1865. Better iron was manufactured in 1897 with 3,800 pounds of Lake Superior ore, costing \$4.90. The quantity of limestone was reduced from 3,060 pounds to 760 pounds and the cost from \$2.35 to 32 cents. Moreover, the limestone of 1865 came from lands close to the furnace, while the limestone of 1897 was shipped to us by land and water from Lake Erie.

(Continued on page 33)



### A REAL IRRIGATOR

*Who knows his business but hasn't yet bought an American made centrifugal pump raising 3,000 gallons a minute.*

Nearly all the rice fields of both Japan and China are irrigated in the ingenious and picturesque manner shown in the illustration. These paddy fields are as inevitable part of the landscape as are the corn fields in the United States. Sometimes the treadmill has two wheels and man and wife work together in raising water to the next terraced field. Sixty per cent of the population of Japan is engaged in agriculture and farmers do not lack for respect and appreciation. In the social order they follow the scholars and barons preceding mechanics and merchants.

Less than 18 per cent of the total area of Japan is devoted to agriculture and "wet" land which produces the country's most important crop is worth three times as much as other arable land. It is estimated that better devices for irrigation, such as storage reservoirs for flood waters, would increase the crops 50 to 75 per cent. During rainy season flood waters go to waste through the rivers, leaving 80 per cent of the rice fields wholly dependent upon rain for the abundant water they require. Powerful pumping machinery would solve the irrigation problem and in a number of districts these have been introduced. In one section near the Yodo River, 9 out of 15 pumps were of American make and this should prove an entering wedge for American machinery manufacturers, since both Japan and China have appointed commissions to investigate irrigation needs and suggest improvements.







# CONCERNING RICE

## A SOUTHERN CROP THAT WOULD RESCUE US FROM WAR PRICES

By ROBERT C. WILSON

Decorations by H. DEVITT WELSH



**R**ICE from a million green, flooded acres in Louisiana, Texas, California and Arkansas, is knocking at the door of the American dining room. Thus far we have given it a cool reception. We still think that rice is something to put in pudding—a desert not a vegetable.

However, once a year, each of us pays out a fifty cent piece to the grocer for his annual six pounds of rice, the amount each man, woman, and child in the United States consumes in a year. Incidentally the half dollar is the same price we paid before there was any war to send the cost of things scooting skyward.

**E**FFICIENT Europe, forced to abandon meat as its chief article of food, turned to rice. Man for man, Europeans consume five times as much rice as we do. Even Canada with a sparse population doubles out per capita consumption, whereas in the densely populated lands of the Orient, where meat production has practically ceased, a man eats as much as 250 pounds of rice in a year.

We are 100,000,000 people, and we eat about 600,000,000 pounds of polished rice in a year. About that much more is used in the manufacture of American beer. But, as large as those figures seem to be, compare them with Germany's 1913 importation of 1,052,917,000 pounds of rice—Germany with a little more than half our population.

Compare them with those of the Netherlands, a country of 7,000,000 population which imported 904,000,000 pounds of rice in 1913, only to export more than half of this quantity to hungry Europe after the rice had been husked and polished in the great Dutch mills. The 50,000,000 people of the British Isles were eating over 750,000,000 pounds of rice a year before the war.

World rice figures are staggering. The total foreign trade in rice annually amounts to something like 27 billion pounds. It is estimated that the total rice acreage of the world is in the neighborhood of 150,000,000 acres and the annual crop over 3,000,000,000 bushels.

In other words, rice ranks equally with corn and wheat in crop kinship.

America is the last of the nations to appreciate rice, the cereal that feeds more than half the peoples of the

world, the food on which Confucius lived and which 24 centuries later gave to a Japanese army the endurance that defeated Russia in the Orient, the food that Europe is now adopting in lieu of meat.

**I**T is not essentially a foreign product, an importation, but it is a crop which thrives in certain large sections of the United States. The American crop last year amounted to 9,600,000 bags of about four bushels each, grown on 867,672 acres principally in four States—Louisiana, Texas, Arkansas and California. This crop can be greatly increased, probably ten times. The land available for abundant crops of rice is good for little else. An increased rice crop will not cut down the acreages of corn or wheat.

The story of rice in America is something more than agricultural romance—it is adventure. It began in the early spring of 1694 when a Portuguese bark, driven from her course by tempests, sheltered in the port of Charleston, Carolina Colony. When repairs were made the ship sailed away, bequeathing to the ancient Charleston society of St. Cecilia a cherished tradition, to the colony its chief industry, and to the future American public the cheapest of wholesome foods.

The swarthy Portuguese sailors looking like pirates with their cutlasses, their ringed ears and picturesque garments, were a marvel to the curious colonists of Charleston. More marvelous still was the cargo of the ship, which had sailed from Madagascar. She carried ivory, white and black, tea and spices from the Orient, and the strange plunder of tropic lands. Governor Langrave Smith was especially hospitable to the shipwrecked captain who returned the courtesy in the form of a gift more precious than all the gold and ivory on the vessel. It was a bag of seed rice.

That year, following minutely the instructions left by the mariner, Governor Smith planted his rice along a grassy lane near the famous old Battery. From this crop, St. Cecilia tradition has it, sprang the South Carolina rice indystru, destined to thrive for two centuries. Latter-day science has been a bit

unkind to this tradition; but, the Carolina export of rice sixteen years later was over 3,000,000 pounds, and the crop continued to be among the important products of the merican colonies until the outbreak of the Revolution.

### HOW THE CHINESE COOK RICE

By PHILIP GOON KEE,  
Proprietor of the Celestial Cafe, New York City

The delicate properties of rice can be obtained as follows: Wash the rice—at least a pound—in several waters until it runs perfectly clear when poured off. Put the rice in a porcelain or agate pot, and placing your hand palm down on the surface, pour on cold water until it just covers the fingers up to where they join the palm. This old Chinese rule gives the right amount of water. Cover the pot and set it over a moderately hot fire. Boil until the steam stops rising from around the edge of the cover. Then turn down the flame or set the pot back from the heat for three of four minutes. About 15 minutes before serving put the pot where it won't cook any more. If you take off the cover before the rice is served the proper flavor will be lost. Chinese never cook rice with salt.



Meanwhile the story of rice was interwoven in the history of another romantic American period. In 1755, the Acadians were exiled from Nova Scotia, their mournful pilgrimage to Louisiana, where they settled in communities on the western prairies of that state. The Evangelines and Gabriels from Acadia were a gentle, non-resistant people, lacking in enterprise and ingenuity. As they looked upon the new land which they had occupied, land usually half flooded by the heavy rainfall, they despaired of the future, for the flat prairies seemed good for nothing except mud, weeds and grass. They trusted in Providence, and Providence did not fail them. Providence gave them rice.

Rice cannot grow without water. The 'Cajans, as the exiles are known to-day, looked out over the prairies, and saw the water standing in broad pools in the shallow pot-holes. They planted rice in those places, and when the crop matured they thanked Providence. To this day the name has clung to this sort of cultivation. In a wet year "providence rice" makes a crop; if the rain fails, there is no rice.

The Acadians' culture of rice is important, because it led directly to the establishment of the great modern rice belt along the coastal plain of Louisiana and Texas. This development was not to come for more than a century after the 'Cajans grew their first providence rice. Meanwhile the Civil War, by ending slavery, caused the abandonment of many sugar plantations bordering the levees of the Mississippi River. These lands were eventually planted to rice, a crop requiring less labor than cane, being irrigated by troughs cut in the levees of the great river. When Uncle Sam, tackling the flood problem, forbade this practice, the river rice planters lifted the water over the levees in siphons.

**A**LONG in the early 80's, after the Southern Pacific had built its extensions through Louisiana into Texas, those restless American voortrekkers, whose fathers had migrated from New England to Ohio and Indiana, and who themselves had gone onward to Iowa and Nebraska, again began to feel the westward urge. Responding to the colonization blandishments of the railroad, they left the severity of northern winters and found themselves charmed with the eternal summer of the Gulf Coast. The land was cheap—much of it could be homesteaded—but it was also the settlers' despair, because they were by training and inheritance

grain growers, and this land and this climate seemed fitted for nothing but cattle ranges.

The "providence rice" of the 'Cajans sealed the future of the district. Observing it, the Anglo-Saxons and Germans, who were not willing to trust to Providence for their well-being, set themselves to solve the problem of bending nature to their wishes. How they conquered the region, lifting veritable rivers out of their courses by

machine power, their canals creating a broad, new Venice, whose palaces are stacks of rice straw and whose *doges* are planters, is one of the most inspiring stories of modern agriculture. Their science not only poured the bayous upon the rice fields, but it developed a new type of rice culture on a large scale, a method used nowhere else on earth.

Before that story is told, it is necessary to record the decline of the industry in South

Carolina, an industry which reached its height of prosperity in 1835, but which was so shattered by the Civil War that it never fully recovered. The splendid days of Carolina rice culture were antebellum. Then the baronial planters lived in secluded magnificence among their canals and deep, green, paddy fields. The water about them flooded the growing grain and furnished routes of transportation, not only for the scows of harvested rice, but for the slave-manned, state barges of the masters as well.

The Carolinians employed tidal irrigation for their rice. The rice fields were flat, narrow strips of clay bordering the rivers at water level, but located above salt or brackish water. To prevent the daily tidal flooding of these flats, dikes were built along the water's edge. The fields were laid off, not by fences but by smaller levees. The irrigation of the fields was the easiest, laziest and cheapest known. Ingenious valves known as trunks admitted the water to the fields at the daily flood-tide, or drained off the fields at ebb, accordingly, as they were adjusted. There was no expenditure of human or mechanical energy.

**T**HE dry fields of Carolina were seeded with drills in the spring, and the fields were then flooded for a week, or until subsoil examination showed that the seed had sprouted. This was the "sprout flow." The land was then drained and left dry until the rice was standing five inches high, when the water was again admitted for the "stretch flow," submerging the tops of the plants several



Rice is the only important food that hasn't risen with war prices.



inches. When the plants had grown to reach the surface of this flood, the water was drained off little by little daily until the fields were dry again and the soggy plants lay flat in their rows. Then followed the hoeing, usually by horsepower, and a dry-growing period of 30 days during which time the stems began to develop. Again the water was admitted, this time for the "harvest flow," and left on until the grain was ripe.

Space has been given to this description to show why the intensive form of culture practised by the Carolinians (though not as extensive as that of China, where the individual plants are transplanted by hand) could not survive against the extensive machinery cultivation of the Gulf Coast belt. Slave labor made Carolina rice culture profitable. After the War there was a period of stagnation; but when the planters again began to show energy, they were met with a competition of a new, wholesale sort from Louisiana. It was too late then for Carolina to change her methods. Her diked - in fields were too small to permit the successful use of farm machinery; and so substantially built were the field levees, the expense of removing them to give room for harvesting machinery was beyond the planters means.

Thus even to-day on the remnant of Carolina's former rice area the crop is cut by hand with reaper's hooks, whereas in Louisiana the caterpillar tractor draws gangplows, and reaping and threshing machinery of the latest and most efficient type is employed. Heavy storms late in the summers of 1911 and 1912 broke down many of the old levees along the Carolina rivers. The former domain of rice has reverted to the original swamp. Once 100,000 acres were cultivated: last year the Carolina acreage was only 3,500.

THE rice pioneers in Louisiana and Texas faced the problem of putting the water from the bayous upon the land. The land was flat from horizon to horizon, but uplifted from 15 to 40 feet above sea level. Through its alluvial soil the rivers had cut deep, abrupt valleys, until they had burrowed down almost to sea level and their flow had almost ceased, the water becoming stagnant. The pioneers realized that some sort of pumping system was required. They experimented first with pumps built on the principle of the Archimedian screw. From this crude beginning have been developed great centrifugal pumps which pick up 65,000 gallons of water per minute, lifting it from 15 to 35 feet.

The artificial rivers, some of them 125 feet wide and 9

feet deep, fed by these pumps, have been set by human ingenuity upon the very surface of the prairie, held between banks heaped up by modern ditching machinery. This type of canalization was necessary in the flat country so that the canal water might flow by gravitation upon the adjoining fields. The canal and pumping systems are largely in the hands of independent companies which sell the water at the annual rate of \$6 per acre.

The Gulf Coast growers have been equally ingenious in improving the method of cultivation. The rice is seeded in dry fields by machinery, sprouted without irrigation, and given its first growth without other moisture than rain. When the plants are a few inches high, the water is let into the fields an inch at a time, so as never to submerge the growing grain, until the final depth of six or eight inches is reached. In this shallow flooding the crop grows to maturity. When the heads are ripe the fields are drained; and as soon as the ground is firm the harvesting machinery, reapers and threshers, go upon the land as in the wheat country.



American growers make machinery perform the work that Orientals do by hand.

THE grain comes from the threshing machinery as paddy rice—rice still in the brown, outer husks. A further milling process removes the husks, delivering a product known as brown rice, which is cheap, palatable and wholesome. The market, however, demands white, polished rice; and the final milling process puts it in this condition.

The sudden development of rice culture in California gives a hint of the present growth of the industry and shows concretely why American acres responded to American agricultural science last year by producing 17,000,000 bushels of rice more than ever before. The California rice district is the single-handed achievement of the national Department of Agriculture.

In the spring of 1909 Charles E. Chambliss, the rice expert of the Department of Agriculture, went out to the Sacramento Valley to look over some black adobe soil on Butte Creek near Biggs, Cal., to discover whether it would grow rice. It would not grow anything else—profitably. Successive crops of wheat and barley had exhausted its fertility.

For three years the scientist experimented with rice in the flat lands adjoining the creek. His experiments were so successful that in 1912 the valley farmers put in 1,400 acres to rice, maturing a crop worth \$64,000. From that moment the industry leaped. During the



past season 60,000 acres in the Sacramento Valley were in rice, and the crop sold for \$4,500,000.

THERE is a broad extent of these available rice lands in California, enough to produce many times the 55,000,000 pounds of rice consumed annually on the Pacific coast. Moreover, there is plenty of that essential in rice culture, water for flooding the fields. The irrigation here differs from that of the Gulf Coast area in that the water is brought to the fields by gravity in canals which tap the streams at higher levels. In Arkansas, where there is a thriving rice region of 118,000 acres a fourth type of irrigation is practised—flooding the fields directly from deep wells.

The efforts of the new rice industry are being directed to the end that Americans may adopt rice as a chief article of food, substituting it for other grains, potatoes, and various starchy vegetables. Its food value is very high. Its present lack of popularity is probably because most American cooks do not know how to prepare it, serving it as a sticky mess, whereas it should be flaky and dry.



In the various rice receipts two points are emphasized—drain the cooking rice at least once to remove the excess starch, and never stir it while it is cooking.

Rice seems to be the only important food whose price has not been raised by the war. That is largely because it is the chief crop grown in the Orient where labor is cheapest. But cheap as it is, it should be cheaper. The planter today gets 3 cents a pound or less for it, while it costs the consumer from 8 to 10 cents.

IT may seem paradoxical to state that the people could get cheaper rice if they would eat more of it, but the trade agrees to this point. Today the retailer demands the lion's share of the consumer's dime. He does so, because the sale of rice is uncertain. It is always likely to lock up cash investment on the grocer's shelves. Strengthen the demand, start rice moving across the counters, and the grocers will be willing to handle it on a narrower margin—will be forced to do so, in fact, by competition.

## NOW, ON THE OTHER HAND

(Concluded from page 13)

will do a certain thing for instance, do not go in Europe. The people want to be shown.

Moreover, their habits have to be considered. They know nothing, for instance, of our kind of biscuit, known in the South as "hot-bread," and a baking powder "ad" showing several appetizing biscuits on a napkin would miss fire in Europe. The picture of the luscious short-cake would meet with the same fate. And so it goes.

One American recently lost \$10,000 advertising a reputable proprietary remedy in Europe because he did not know that European buyers demand that such a remedy be indorsed by well-known medical men. His translated indorsements from American physicians did no good. He didn't know, and he didn't take the trouble or the right means to find out.

There is just one foundation for American business to build on if it is to gain foreign trade, and that is a sound knowledge of the needs and conditions of other countries. The way to get that knowledge at first hand is to raise up in this country an army of young American business men who have been trained, not only in business, but in languages, the whole training to be rounded out with practical experience in foreign fields.

One of the most important steps yet taken by our universities in this direction is that of the University of Kansas, where an effort is being made to install at the first opportunity courses in Dutch, Portuguese, Russian, Chinese, and Japanese, in addition to the courses already being given in German and the Romance languages. One object will be to combine, with a training in the

speaking of those languages, some knowledge of the business and social conditions where they are spoken.

If all this means anything at all, it means that the days of business pioneering, and of opportunity for making great fortunes through such pioneering, have not passed. It means a new era in American business, and possibilities for growth far beyond anything we have dreamed. It means enormous stimulation of our industries; new paths set for the feet of our young men; and a material prosperity so great that it may well harm us—unless, indeed, we hold fast to spiritual ideals, and unless we come to understand, with it all, that we are not engaging in cut-throat competition with the rest of the world, but are the world's business partner, making straight the path of commerce for the profit of all, and forging out of common interest a bond which shall bind us to the rest of humanity with hoops of steel in that new era of lasting peace for which we pray.

The romance of Oriental jewels disappears in western auction rooms. An ornament for the crown of a Chinese empress recently sold under the hammer in New York for two-thirds the price of the latest thing in typewriters, the sum moderately well-to-do western women spend on a good set of furs, and the amount tens of thousands of our fellow citizens have paid for an automobile at which a good part of the rest of the population casts jokes. At the same sales, however, pieces of the handicraft of skill—such bits as five-inch peachblossom vases—fetched prices that would command really aristocratic automobiles.



# BEHIND THE "BUCKWHEAT FRONT"

Childs—the Best Known Restaurant Name in the World, Yet Few Have Heard Anything of the Genius that Conceived and Is Constantly Expanding the System

By CHARLES PHELPS CUSHING

THE best known name in the restaurant business of America is "Childs." On the instant the word is mentioned a picture flashes up—a white front building, a big plate glass window, pyramids of red apples and grape fruit, a baker turning griddle cakes. Inside, bright lights are glinting on white tiled walls, white marble table tops and white uniforms. The customers are of all financial ratings but the very lowest and the very loftiest. The food is wholesome and homely, served neatly and promptly. The range of choice allowed by the bill of fare is not great—but neither is the tariff. Despite the bustle of business the place maintains a kind of dignity. For example, though there may be no sign on the wall asking the customer not to smoke, it is rare to see anyone light a cigar or a cigarette in the room.

Even the business man whose travels never carry him to any of the thirty cities in the United States and Canada where Childs restaurants are now established knows something about them by word of mouth or through the medium of fiction tales or the theatre. One of Mr. Belasco's most talked of stage settings a few years ago was a Childs restaurant, and O. Henry used the same locale in a short story. And just the other day Childs was the subject of a literary essay by Dr. Richard Burton in the *Bellman*. Dr. Burton is head of the English department of the University of Minnesota. He titled his essay "A Test of Democracy," choosing his theme, he said, "because it seems to me picturesque material that embodies a great truth: the democratic truth that the money tag does not make the meal."

Yet little has ever been printed about Childs in the newspapers or in articles in the magazines. This is not because the company avoids publicity, but because by a policy adopted a quarter of a century ago Childs has never sought publicity. Even the little monthly booklet printed by the organization, the "Childs Magazine," makes no effort to reach the general public and describes itself simply as "a publication devoted to the welfare of

the business and its employees." In fact, it is literally true that Child's never advertises. Probably no other business in America has reached such magnitude without the aid of this most potent of trade stimulants.

One result, or, rather, penalty, of the lack of printed publicity is that fiction, the theatre and word of mouth publicity have been building up legends about Childs. The fact-hungry public, lacking reliable first-hand information, has accepted fables instead. The institution is like Leonora in the play by J. M. Barrie. It is one of those "round whom legends have grown [even in their lifetime."

The Childs idea has touched our daily lives, and thousands upon thousands of us have, with a very natural curiosity, wondered who was behind it, what was its story. When the press did not, or would not tell us, we accepted gossip and slapstick humor, guesses and fiction.

THIS is how it has come about that we have been told seriously that no such person as "Mr. Childs" ever existed, and that the Standard Oil Company is the real owner of the property, anyway.

What are the facts? Briefly the story of the Childs idea is this: Twenty-five years ago Samuel S. Childs and William Childs, Jr., were living in a little town in New Jersey and

working in restaurants in downtown New York. One was a cashier, one a manager. They were ambitious. They got their heads together and planned a restaurant with this for its creed: "Better service than the public ever had before; providing pure, wholesome, tasty foods prepared in model sanitary kitchens and served in clean dining rooms by courteous employees to a discriminating public." They started in business with a little place at 45 Cortlandt Street. A precious photograph of that place is here reproduced and the reader may see for himself that in essentials their first restaurant differed but slightly from their model of 1917.

With unwavering consistency the brothers have kept to the same course in every important particular ever



"Yes, sir—and do you want them over or straight up?"





A class of Childs managers learning from a chef the all-important and infinite detail of the kitchen

since. They still live in the same little town in New Jersey. They still (only on a vaster scale) play their respective rôles as cashier and manager. They still have the same "business creed as a chart to steer by. And the controlling interest of stock in the Childs Company, they solemnly aver, is still in the hands of the Childs family and their circle of personal friends. Standard Oil, they declare, does not own or control the stock, nor has it ever done so. Conceivably, since stock in the company is on the open market, men who own blocks of Standard Oil might also have bought some shares of Childs stock. But if you ever see it in print that "Standard Oil men" control Childs, the brothers Childs will deem it a favor if you call their attention to the slip, and will take prompt steps to have the misinformation corrected.

To relate in detail the chronology of the spread of the Childs' system from one restaurant to nearly a hundred would be too long a story. It is more to the point to set down that to-day the chain reaches thirty cities, extending as far west as Denver, south to New Orleans, north to Montreal. In the year just ended the gross profits of the company amounted to \$1,075,000—about \$200,000 in excess of the profits in each of the three years preceding. Dividends of \$467,000 were paid and a surplus left worth \$18,250,000. The bills payable each year average in excess of \$1,000,000. Cash on hand \$738,000. All this information and more was furnished the writer without hesitation. He had no feeling that the company wished to cover up any detail of its workings. A guide showed him through a typical restaurant, and in the same spirit bade him investigate every nook and

corner of it from roof to basement. The one thing withheld was a sight of the brothers Childs—which, possibly, was none of his business.

THE visitor was told how the supplies are bought and transported, how the menus are selected, how waitresses and cooks and helpers are chosen, how the employees from 'bus boy to manager are trained, and how and upon what principle the great chain of lunch rooms is being extended.

Do you live in a city of 100,000 or more? Then a scout from Childs knows how many persons pass your busiest downtown corners in an average day and has picked out a choice location for a restaurant. A man with a little counting machine in the palm of his hand stood at that location and clicked off the number—every man, woman and child. When the site of his heart's desire is available at a reasonable rental, Childs will take possession. That spot (it may or may not be a corner) is the one the Childs man wants—that and no other. If he has to wait a hundred years, a hundred years he will wait—for "that and no other."

Despite the fact that a hundred thousand persons sometimes visit Coney Island in a day and the further fact that most of them loudly bewail because wholesome food at a reasonable price seems impossible in that neighborhood, no Childs restaurant has ever come to the rescue. Yet in Atlantic City there is a Childs with seats for a thousand. But wait! Childs knew about the Coney Island situation and its opportunity long, long ago. Next summer, in just the right place, Childs will open a restaurant there, for at last the company has secured the right site at a rental based on the law of averages.



**I**RON clad consistency and standardization throughout! If all the one hundred restaurants were in the same time zone, the tap of a bell would find every manager at work upon his menus at the same time, every manual laborer scrubbing floors at the same time. What is more, the 5,000 employees of Childs are all carefully selected types, who pass both a physical examination and a mental. The Childs waitress—who, by the way, is not at all like the crude burlesque of her on the vaudeville stage—must be not only physically efficient but also (rather appropriately to the setting) neat and cheerful. The manager, who sometimes is mistakenly supposed to be a twenty-five dollar a week floor walker because of the uniform he wears and the post he often takes up at the head of the aisle of tables, is really a well-paid, highly trained expert who knows every detail of the business he supervises and who is given a percentage on his efficiency in handling it. So with the bakers and chefs and cooks. They know not only their trades, but the *why* of them as well. Everything is done by method. There is a prescribed way to pasteurize the milk and a prescribed way to take the paper lid off the bottle.

The same consistency applies to the menus, which are the same week by week throughout the chain. Why can't one get an order of chicken in Childs? Because to serve chicken in all of these restaurants at the same time, at a small price, in reasonable large portions and

absolutely fresh would be impossible; and to serve cold storage chicken would violate the Childs creed.

How near the Childs system comes to realizing its ideals is evident to any traveler who, like the present writer, makes free to confess that he has eaten in Childs restaurants all the way from New Orleans to Montreal. The same food quality, the same service, the same personality in every one of them, every employee apparently conscious that if he breaks the rules his sin will find him out.

I wonder how much of this conscientiousness may be due to the genius of William Childs, Jr., for detail? At the peril of invading upon the personal again, I am tempted to risk telling one of his plans to visualize at headquarters the scores of managers now in the company's employ. They are becoming so numerous nowadays that it is difficult for the General Manager to keep them all in mind. To bring before him the man he is talking to when he dictates a letter to Mr. Jones of Kansas City or Mr. Schmidt of Cincinnati, Mr. Childs proposes to have each manager forward a brief description of himself and two cabinet portraits, one full face, one in profile. I relate this not only because it is ingenious but because, by all accounts, it is characteristic. No detail of the management escapes this expert's eye, from the working of a new butter press to the kind of coffee the managers drink at the employee's club house.



We have here a picture of historical interest that is highly prized by the Childs management. It is an inside "still" of the first Childs restaurant at 45 Cortlandt Street, New York. Special attention is called to the simple, Victorian dignity of the costumes worn by the women of that period.



**A** TROOPER without  
bacon, bayonets,  
beans and other war-

**"WE ARE READY! WH**

like necessities is no soldier at all. When a peaceful nation plunges into the bloody arena of war it must have enormous supplies and have them instantly. The lack of them may mean death and defeat. Out of this condition, past wars have meant sudden vast fortunes and wild upheavals in the securities market.

**This Is the Attitude  
it Lines Up Solidly**

To-day the United States faces perhaps the gravest menace that ever confronted it. Among the results that the situation has brought forth is the attitude of business toward the national danger. The men of business see in it a threat against their country that must be removed, rather than a forced market that can be squeezed for exorbitant profits.

This word has run down the line of American industries, "No excessive war profits!"

Therefore the men of business through their central organizations have pledged to the War Department the products of their mills and shops on a basis that will give them only enough return to protect the stability of their securities.

That is not all. The expert and scientific knowledge of the commercial nerve centers has been mobilized and is now assisting the army buyers in getting the best possible supplies for the least possible figure. No brass bands attended the work of organization. But it went forward so swiftly that when on March 5 officers of the Quartermaster's Department opened bids for supplying the present forces, business men of national reputation sat beside them to advise them on texture, price, delivery and all other vital details. These bids were received at New York, Chicago, Philadelphia, St. Louis, Boston, and San Francisco—six of the fourteen cities where the War Department has its Quartermaster's Depots.

The committees were present in this instance to get used to the nature of the work so that when the need comes for the speedy equipment of men by the army corps, they will know exactly how to go about it.

**T**HE committees were formed with business-like speed and precision. When Germany's proclamation of ruthless war startled Washington, the National Chamber of Commerce was holding its national meeting at the capital. The Chamber had always declared its willingness to throw its entire organization and force to the aid of the government whenever the need arose. Through a referendum, members of the Chamber had already come out solidly for a comprehensive plan for national defense based on the principle of equal rights entailing equal obligations.

On the day following the close of the convention, R. Goodwyn Rhett, president of the National Chamber, called upon Newton D. Baker, Secretary of War. He told of the resolution passed by the convention in which the industries of the country took their stand behind the government, and laid the organization of the Chamber at the disposal of the Secretary. There were no strings to the offer. The Chamber was to serve in whatever capacity the Secretary thought best.

Secretary Baker thanked the Chamber, got in touch with the Quartermaster General, and consulted the Council of National Defense. The Council's members are Secretary Baker, Josephus Daniels, Secretary of the Navy; Franklin K. Lane, Secretary of the Interior; David F. Houston, Secretary of Agriculture; William C. Redfield, Secretary of Commerce; William B. Wilson, Secretary of Labor. The Council's Advisory Commission consists of Howard E. Coffin, of Detroit; Daniel Willard, president of the Baltimore & Ohio; Bernard M. Baruch, of New York; Julius Rosenwald, of Sears, Roebuck and Company, Chicago; Samuel Gompers, president of the American Federation of Labor; Dr. Franklin T. Martin, of Chicago; and Hollis T. Godfrey, of the Drexel Institute, Philadelphia.

Officers of this body and the officials of the National Chamber held frequent conferences. On February 15 the Council of National Defense passed a resolution requesting "the Chamber of Commerce of the United States to have a small committee appointed in each of the cities in which the Quartermaster's Department of the Army had headquarters, to the end that advice



# ARE THE ORDERS?"

ganized Business as  
and the Government

sary, upon short notice, to make purchases in unusually large quantities."

Following this resolution Secretary Baker wrote the president of the National Chamber outlining the plan of the Council and requesting

"the cooperation of the Chamber of Commerce of the United States with the Quartermaster's Department of the Army in the purchase of army supplies."

**D**ELAY was dangerous. Bascom Little, of Cleveland, is chairman of the Committee on National Defense of the National Chamber of Commerce. The work of organizing committees was placed in his hands and all the energy of the Chamber put at his disposal. In an incredibly short time good, strong committees of five men each had been organized in the cities named.

The committee named for New York is Edward D. Page (Oakland, N. J.); Lucius R. Eastman, Jr., Hills Brothers Co.; Daniel P. Morse, Morse & Rogers; A. L. Salt; Henry R. Towne, President, Yale & Towne Mfg. Co.

Those who serve in Chicago are: H. B. Lyford, Vice-President, Hibbard-Simon-Bartlett Co.; Alfred Decker, Alfred Decker & Cohn; Milton J. Florsheim, Florsheim Shoe Co.; William F. Hypes, Marshall Field & Co.; John MacMahon, Vice-President, Reid, Murdoch & Co.

Philadelphia's honorable traditions will be upheld by Calvin M. Smyth, President, Young, Smyth, Field Co.; J. Howell Cummings, President, John B. Stetson Co.; Alva C. Dinkey, President, Midvale Steel Works; L. H. Kinnard, Vice-President, Bell Telephone Co. of Pennsylvania; Ely K. Selig, Vice-President, A. B. Kirschbaum Co.

In St. Louis the committee consists of W. A. Layman, President, Wagner Electric Co.; Thomas R. Akin, President, Laclede Steel Co.; George M. Brown, President, General Roofing Co.; John A. Bush, President, Brown Shoe Co.; Warren Goddard, President, Goddard Grocery Co.

On the Boston committee are James L. Richards, President, Consolidated Gas Co.; Jacob F. Brown, Adams & Co.; Albert Greene Duncan, Treasurer, Harmony Mills; Edward J. Frost, Treasurer, William Filene's Sons Co.; Charles H. Jones, President, Commonwealth Shoe & Leather Co.

San Francisco is represented by Milton S. Esberg, Vice-President, M. A. Gunst Co.; R. I. Bentley, Vice-President and Manager, California Packing Corporation; F. Dohrmann, Jr., Manager, Dohrmann Commercial Co.; C. F. Michaels, Langley & Michaels, Wholesale Druggists; I. O. Rhodes, Purchasing Agent, Southern Pacific Co.

At New Orleans the army will be assisted by Leon C. Simon, Vice-President, Kohn, Weil & Co.; Ben C. Casanas, President, Merchants' Coffee Co.; R. H. Downman, President, National Lumber Manufacturers Association; A. M. Lockett, President, A. M. Lockett & Co.; Albert Mackie, President, Albert Mackie Grocery Co.

The Kansas City committee is Fred. L. Dickey, President, Chamber of Commerce; George S. Carkener, President, Board of Trade; George R. Collett, Vice-President, Kansas City Stock-Yards Co.; J. C. Lester, Vice-President, Ridenour-Baker Grocery Co.; Leon Smith, President, Smith-McCord-Townsend Dry Goods Co.

On service at Omaha are W. D. Horsford, Vice-President, John Deere Plow Co.; Everett Buckingham, Vice-President and General Manager, Union Stock Yards; J. Clarke Coit, President, Lee-Coit-Andreeson Hardware Co.; H. G. Hoel, Sales Manager, McCord-Bradley Co.; J. A. Sunderland, President, Sunderland Brothers Co.

The committee at Portland, Ore., is William D. Wheelwright; Henry J. Biddle, First National Bank; Henry L. Corbett; R. D. Inman, Inman Poulsen & Co.; Daniel Kern, Columbia Contract Co.

Those on the San Antonio committee are Luther B. Clegg, President, San Antonio Printing Co.; Ernest M. Groos, Manager Purchasing Department, San Antonio Machine & Supply Co.; Clinton B. Kearney, Commissioner of Streets; Albert Kronkosky, Vice-President, San Antonio Drug Co.; W. B. Tuttle, Vice-President and General Manager, San Antonio Gas & Electric Co.

**I**F it comes to war on the vast, complicated, deadly scale such as the European struggle, every depot in the country must do its utmost in the tremendous task of supplying our armies. Therefore committees will be named to work with the army officers in the event of war, at other stations of the Quartermaster's Department in Seattle, El Paso and Jeffersonville, Ind.

Standing at attention, American business awaits its further orders.



# Stand Clear! Missouri Bestirs Herself!

Men with Vision and Wealth Combine Both in a Titanic Plan to Better the Life and Bank Roll of Every Citizen of Their State

By OMAR HITE

Decorations by F. S. Tisdale

IT would take a high order of courage even to suggest the idea of adding a billion dollars to the annual dividends from the output of a single state. Considerable nerve is required to look such a formidable array of ciphers in the face. But the devising of means to make the figures materialize in hard, round dollars with milled edges is a job before which our shrewdest jugglers of millions would pause.

In St. Louis a group of men with vision have tackled just such a problem for the good of Missouri. They are not irresponsible dreamers but experienced business men. They have won outstanding personal success by the exercise of sober judgment and they are convinced their goal is not an impossible one.

The backers of this proposal are the leaders of the Federation of Missouri Commercial Clubs, a union of the commercial clubs and of all organizations striving to better living and business conditions in Missouri. What the commercial club is to its community and the Chamber of Commerce of the United States of America is to the nation, the Federation is to Missouri. It offers to its member organizations a chance to co-

ordinate their work, eliminates duplication and insures the most effective results.

Among the St. Louisans who are backing the Feder-

ation with their cash and energies are: W. H. Bloomer, its president, who is field superintendent for a big insurance company; Clarence H. Howard, head of a great steel corporation and president of the St. Louis Chamber of Commerce; William F. Saunders, secretary and general manager of the Business Men's League. There are many others equally prominent. The three are listed only to indicate the standing of the organization's sponsors.

The Federation leaders are showing their faith in their idea in the most sincere way—by going down into their pockets for a fund to get the work going. The fund will be sufficient to give the ball a strong push. It is \$300,000, and will be expended at the rate of \$100,000 annually for three years.

The chief beneficiaries of the addition to Missouri's favorable balance will not be the men who are financing and leading the campaign to bring it about, but the folk on the farms. Next in line will be the business men in the small towns who sell goods to the farmers. From the prosperity of these, the men in the cities ultimately will be paid their profits.

BIG business men of the cities are learning that they can make no more profitable investment than in the development of the resources of their tributary territory. Its prosperity is their prosperity. In St. Louis the Federation of Commercial Clubs is impressing that fact upon merchants and manufacturers in a way they cannot escape.

St. Louis business men are raising \$150,000 for the development fund. In three days, \$108,000 was pledged and Federation leaders assert the remainder is in sight.

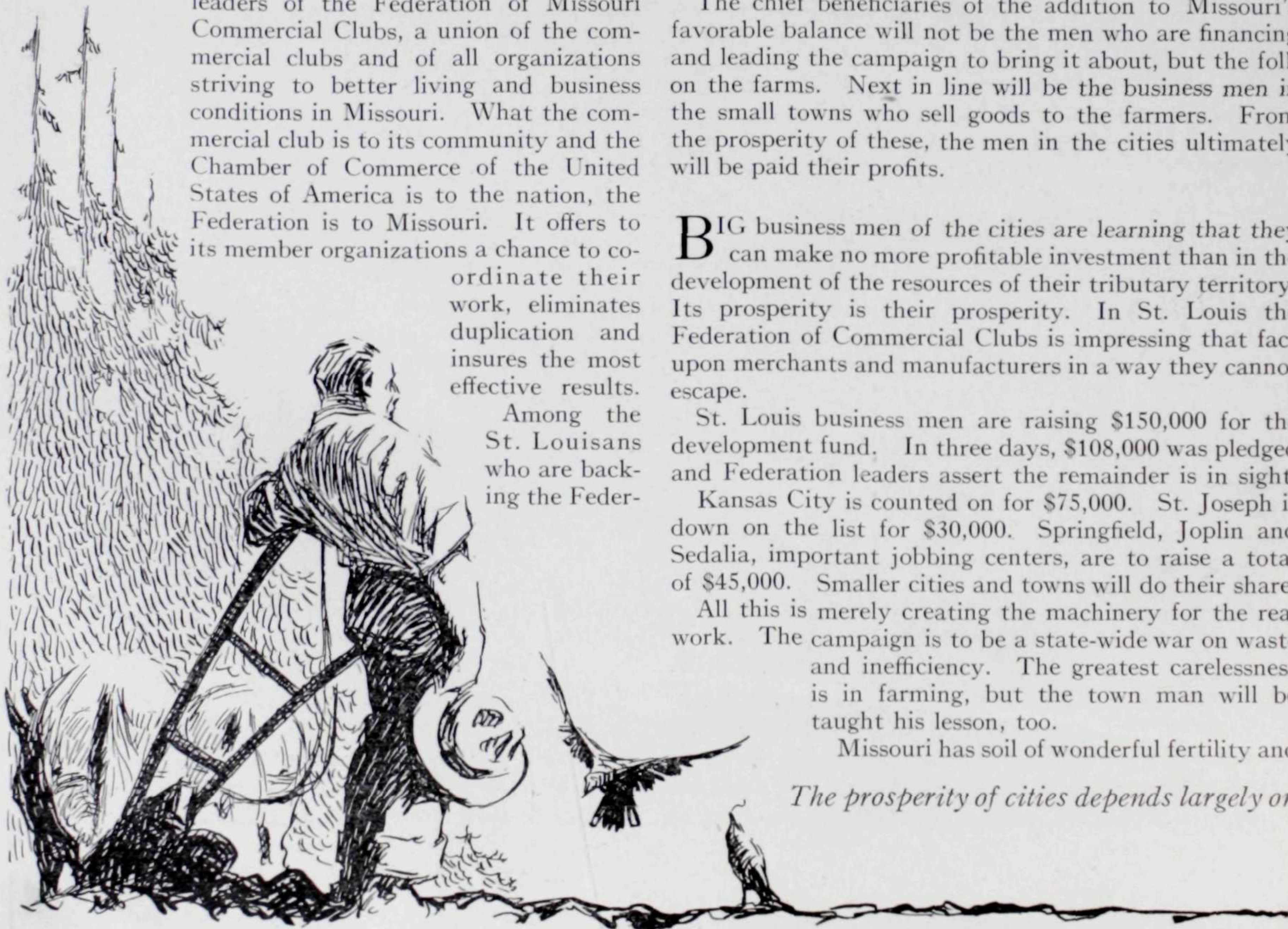
Kansas City is counted on for \$75,000. St. Joseph is down on the list for \$30,000. Springfield, Joplin and Sedalia, important jobbing centers, are to raise a total of \$45,000. Smaller cities and towns will do their share.

All this is merely creating the machinery for the real work. The campaign is to be a state-wide war on waste and inefficiency. The greatest carelessness is in farming, but the town man will be taught his lesson, too.

Missouri has soil of wonderful fertility and

*The prosperity of cities depends largely on*

COMMERCIAL organizations are the mediums through which the people of a community can express themselves collectively on questions of community welfare and through which they can make their collective desires effective. Essentials to success are that the community must be well organized and directed, know what it wants and be in agreement as to how to get it. It is one thing to plan, but another thing to execute. Here is a promising plan which, with the right kind of cooperative effort, direction and driving power, will fulfil its promise. What we are trying to say is, that despite the idealism of the job herewith undertaken, it can be done, if———Editor.





a climate almost ideal for agriculture. Her crops include those of the South and those of the North. Cotton and rice flourish on her southern border while corn and wheat are the chief staples. The state has a million fruit trees more than any other in the Union. She is accustomed to drawing down the sweepstakes at expositions for the perfection of her agricultural products.

But Missouri isn't beginning to realize the fullness of her possibilities. Mr. Bloomer, the Federation head, dug around in dry federal reports and came forth with statistics that made Missourians sit up in surprise.

**S**AIID Mr. Bloomer, "In production of corn per acre, we rank twenty-third, and in wheat twenty-ninth. With all our fruit trees, we rank fortieth in production per tree. In average acre production of all crops, we stand forty-first.

"We have the best of climate and soil. If the farmers of Missouri would put under cultivation one-half of the untilled lands and raise all to the standard of our most efficient state, it would mean an increase in Missouri's income of more than a billion dollars a year. Let's do it."

The small town commercial club is the medium through which the Federation will work. In that the campaign will have a heavy advantage over a similar undertaking by a single city. The force rousing the organizations to work will not be an external force but one of which they are a part and whose policies they help shape.

The \$300,000 fund will be used to revivify and organize small town commercial clubs so that they may do their part in the state building campaign. A commercial club in every county is the first step of the Federation's program. In each county where there is no commercial club the Federation's workers will help form one and get it solidly on its feet.

"It will be necessary virtually to revolutionize the attitude and purpose of the small-town commercial club in order that it may play its part," Mr. Bloomer said in reply to a sceptical thrust at the efficiency of such organizations. "But the time is ripe for a change. We must show its leaders they have been neglecting gold mines at their doors while chasing a will-o'-the-wisp.

**G**O into many towns of 5,000 and 10,000 population and you will find the commercial club can see only one way to benefit its town. 'Get a factory,' is the cry. The small town business men are little concerned as to the nature of the enterprise, whether it is suited to the resources of their territory and whether it can get the railroad rates and facilities, the raw materials and skilled workers which will enable it to exist. All they can see is that a factory will add a certain number of workmen and families to the population and increase their business by that much.

"On that basis they raise a fund and offer inducements in rivalry with other towns. After a year or so of unsuccessful operation it usually happens that the factory is moved away and the town is left with an unsightly, unused and unusable building. The money has been the development of the territory surrounding them.

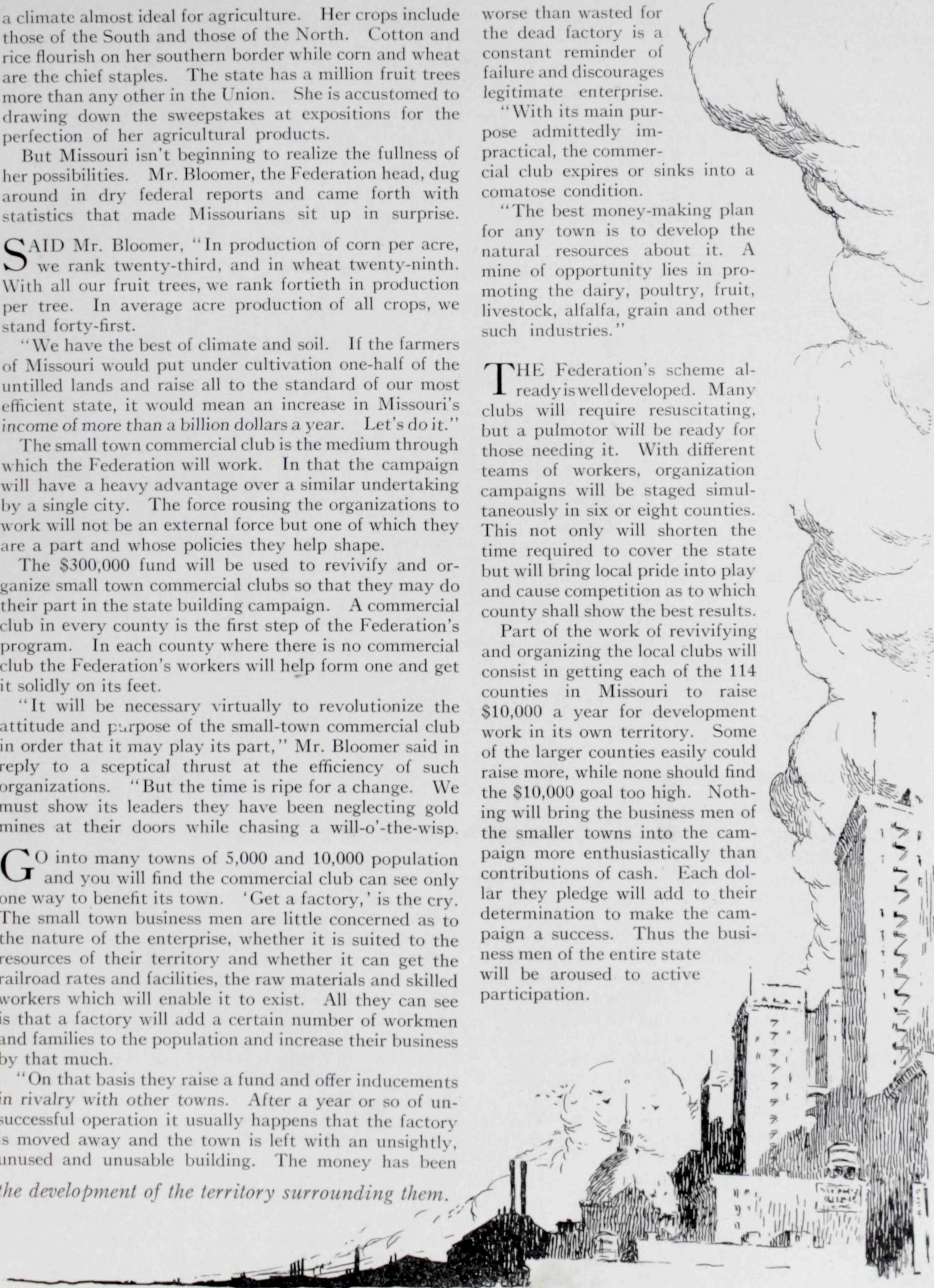
worse than wasted for the dead factory is a constant reminder of failure and discourages legitimate enterprise.

"With its main purpose admittedly impractical, the commercial club expires or sinks into a comatose condition.

"The best money-making plan for any town is to develop the natural resources about it. A mine of opportunity lies in promoting the dairy, poultry, fruit, livestock, alfalfa, grain and other such industries."

**T**HE Federation's scheme already is well developed. Many clubs will require resuscitating, but a pulmotor will be ready for those needing it. With different teams of workers, organization campaigns will be staged simultaneously in six or eight counties. This not only will shorten the time required to cover the state but will bring local pride into play and cause competition as to which county shall show the best results.

Part of the work of revivifying and organizing the local clubs will consist in getting each of the 114 counties in Missouri to raise \$10,000 a year for development work in its own territory. Some of the larger counties easily could raise more, while none should find the \$10,000 goal too high. Nothing will bring the business men of the smaller towns into the campaign more enthusiastically than contributions of cash. Each dollar they pledge will add to their determination to make the campaign a success. Thus the business men of the entire state will be aroused to active participation.





Ten thousand multiplied by 114, by 3 years, gives \$3,420,000. Our \$300,000 machine for state development will have expanded into a corporation well above the million-dollar class.

The second step of the program will be to induce each county to establish a farm bureau with a farm adviser in charge. The federal government has spent \$250,000,000 gathering information which would revolutionize the production of the farms if properly applied. Carl Vrooman, Assistant Secretary of Agriculture, estimates that if the knowledge in the possession of the Department of Agriculture were utilized in the growing of two crops alone it would increase the income of the nation's farmers \$12,000,000 a day.

But powerful as Uncle Sam is, he has not been able to devise a system to carry this wealth of information to the farmer in a way that will cause him to profit by it. The county farm agent apparently is the remedy. The federal government shares the expense of employing such an expert with the county which profits by his services. Congress has appropriated \$23,000,000 to pay salaries of these men between 1914 and 1922 wherever states or counties do their part.

Missouri has not been getting its share of this fund. Only 14 counties now have farm bureaus.

Part of the fund which the Federation proposes to raise in each county will be used to employ farm agents. It will be a direct "selling point" for the campaign to the men of the small towns.

**T**HE movement for good roads has become so strong and the profits arising from improvement of the highways have been demonstrated so often that the Federation naturally included good roads in its program. Hard roads bond issues in every county will be advocated and before each election the Federation will send out experienced workers to help insure the success of the campaign.

Development of the dairy industry is another vital feature of the plan. Missourians admit that they have neglected this source of wealth. The Federation will employ dairy experts who not only can talk but can remain on the ground to demonstrate the most advanced methods. Their work will go to the length of informing the farmer where thoroughbred stock can be purchased advantageously and helping him find capital if his resources are limited.

Economic and social surveys also are projected in order that each county may know its resources and learn how best to utilize them. With such information at hand it can adopt a comprehensive and constructive plan of development. In one section of Missouri is a long strip of land whose soil, according to experts, is duplicated in only two places in the world—small areas in China and Japan. In Germany land somewhat similar to this was utilized for the purpose to which it is best

adapted, fruit raising. Before the war a value of \$10,000 an acre was put upon it. Missouri is growing much fruit in this area and has at Louisiana one of the largest nurseries in the world. But much of it is devoted to wheat and corn, which, even at war prices, bring in a scanty income compared with what it could yield.

A community plan would remedy this. It would further enable residents of the Ozarks to cooperate in exploiting the natural beauties of their section for summer resort purposes. When these wonders become known, the Ozarks will become a popular national playground.

What mineral resources an economic survey would reveal cannot be guessed at, but undoubtedly some Missourians would be amazed at the hidden riches on their own lands.

The Federation plans a war on fire waste, which annually takes an enormous toll. Fire prevention and clean-up campaigns in every county are on the program. Reduction in the number of preventable fires will help materially in protecting the wealth of the state.

A pure seed-testing system in every county is to be advocated. Supplying the farmer with seed of good quality and of the variety best adapted to his soil will be a big step toward bringing Missouri up to her true standard.

Better merchandising methods will help the merchant as well as the farmer. The Federation will show both how to eliminate the heavy tax of waste.

Not all of the Federation's program is directed toward material ends. Better schools will be sought. Missouri is not proud of its rank as to illiteracy, nor of its 10,000 one-room school houses. The romantic little red school house was all right in pioneer times, but to-day the big building which the consolidated rural school district erects is what the boys and girls are entitled to. Communities will be shown the need of taking advantage of the state law which enables them to organize scientific educational systems along the rural routes.

Boys' Pig and Calf clubs and Girls' Canning and Domestic Science clubs in every county are designed to interest the next generation in farm life and to stay the rush to the cities. These organizations at the same time bring to the farm boys and girls a knowledge of modern methods and enable them to improve on the ways of their parents.

The Federation, in order effectively to visualize its aims and purposes to each constituent organization, plans to establish at the University of Missouri a library of slides and motion picture films. Each commercial club, school, church and community center will be urged to buy a projecting machine so that it may get this service. Where this is not done, the omnipresent "movie" theatre can be utilized.

The slides and films will show the county farm agent at work; they will visualize the one-room school, badly heated, badly lighted, badly equipped, and will contrast with it the modern consolidated school. (Concluded on page 41)

**H**ERE is what Missourians are going to do to add \$1,000,000,000 a year to the dividends from the state's output:

Establish dynamic commercial clubs in every one of the 114 counties.

Secure an expert farm adviser for each county.

Fight for hard-road bond issues all over the state.

Show every farmer how to fatten his bank roll by scientific dairying.

Make economic and social surveys that will enable each county to realize its full wealth.

Promote clean-up and fire prevention campaigns.

Form consolidated rural school districts.

Give every county a seed testing station.

Organize pig and calf clubs for boys, and canning and domestic science clubs for girls.

Establish at the University of Missouri an educational "movie" library for circulation about the state.

Initiate small-town merchants into the mysteries of scientific merchandising.



# Loosening That Industrial Brake Lock

When it Got To Switching Cars with Wrecking Cranes, the Railroads Determined to Overcome the Freight Blockade—Result: The Car Service Commission

By HAMILTON HARPER

THE railroads of the country are in much the same position as the hungry man and his wife after their second wish.

Remember the story? Hungry couple—empty larder—fairy godmother—three wishes. The first was the man's natural, though unguarded, expression of his desire for a loaf of bread. The second was the woman's pious hope, uttered in a burst of anger, that the loaf would jump up and stick to his nose. Naturally, the third wish was that it would jump down again. Whereupon the couple sat down, ate the loaf and agreed that there was no benefit whatever in having wishes come true.

Please observe that the simile is not applied in its entirety to the railroads. They still have their third wish coming and unless signs point the wrong way it is going to count and count big in the final returns.

The railroads find themselves in a situation the like of which never existed before in history. The problems with which they are face to face presented themselves suddenly and dramatically. They call for immediate, vigorous solution. And they are being met in a new way, with a new spirit, born of the times, by new methods.

It was little more than two years ago that the trumpet call to American enterprise in every form was sounded. And American enterprise, like a sleeper suddenly aroused, responded, slowly shaking off its lethargy and finally awakening to a day of intense activity. Fires were lighted in furnaces long cold; factories belched smoke by day and were brilliant with light by night; mills long idle hummed on a twenty-four hour schedule. The entire industrial and commercial life of the nation awoke and became feverishly active.

Factory, mill and workshop poured out a torrent of products such as the world had never seen before. The torrent flowed east—first to our Atlantic ports, then to Europe. Food, clothing, munitions, barbed wire, automobiles, aeroplanes, virtually everything the country produced was turned out in quantities unap-

proached before, thrown onto the railroads and rushed to the Atlantic coast.

So suddenly that the railroads were caught unaware, the figurative fairy godmother had appeared with her

three wishes. The railroads had been wishing for business; and she dropped in their lap the huge volume of European war orders. Stalled cars began to move. Spiders wove no more homes about the axles. Rusting rails were polished by the friction of many wheels. Freight assumed mountainous proportions. Money began to pour into the railroad's coffers.

The railroads sent out their call-boys and rounded up the men laid off during the depression. All who hadn't better jobs were put back to work. Cars that hadn't hauled freight for months sped over the rails. Yards that had been silent miles of reddening rust became gorged with loaded cars. Good times had come; the railroads of America were on



a twenty-four hour schedule.

And still the mountain of orders grew. A fleet of Allied merchantmen steamed to and from every Atlantic port. But even the great capacity of this fleet could not meet the demands of production. Then the fleet began to dwindle. German submarines laid some of the vessels to rest on the bottom of the sea; the British Admiralty requisitioned others. Craft of obsolete cut and ancient odor, from decrepit windjammers to venerable whaling ships, entered the north Atlantic trade to take the places of ships that had been sunk or requisitioned.

But the motley fleet was no match for the growing mountain of freight. No fleet available anywhere would have been. The waiting American products piled higher and higher on this side of the water.

For a time the railroads kept on hauling freight to tide-water. They shunted cars into the yards until every foot of rail at eastern ports was packed to capacity. The cars stood by the tens of thousands, loaded with everything from pins to big guns. Some waited for weeks, some for months for vessels to relieve them of their freight.



As the seacoast yards filled, the cars began to pile up in the interior at such points as Buffalo, Pittsburgh, Cleveland, Columbus, Detroit and even Chicago. When those yards, too, could hold no more, the railroads loaded up the sidetracks along the main line and finally, in desperation, left the cars out on the main lines themselves.

AT one time there was a five-mile string of loaded eastward-bound cars on the Pennsylvania railroad's main line not far from Altoona. One of the four main line tracks at this point was used temporarily to store freight that couldn't move. This long line of cars was several miles from the nearest siding so that it was virtually impossible to get at a car in the middle of it. They had to run wrecking trains alongside and with giant cranes lift out the loaded cars they wanted and swing them bodily to another track.

Domestic freight was caught in the tie-up by the tens of thousands of tons. New York City was threatened with a shortage of mothballs as spring approached. The cars containing the moth antidote were located in the middle of the five-mile line. They had been stalled for weeks. Wreckers were run out, the cranes swung their strong arms, the cars were plucked forth and a mothball special roared into New York to relieve the threatened shortage.

As the situation grew desperate, the railroads began to issue embargoes. A good many railroad men had a suspicion that embargoes were illegal, but as a simple measure of self-defense they were necessary. The railroads issued them and the Interstate Commerce Commission, knowing the railroad's straits, didn't press the question as to their legality.

Now a word as to the Interstate Commerce Commission: It is doubtful if there is a single prominent railroad in the country that doesn't regard the Interstate Commerce Commission as its friend. The railroads have no quarrel with the Commission; the Commission none with the railroads. There seems to exist between them, in these days of crisis, an unspoken sentiment that the situation is too big and too serious for petty differences to interfere with its solution. The watchword is co-operation.

The embargoes relieved the situation somewhat, but not wholly, for thousands of loaded cars were already

standing at Atlantic ports. Then the railroads began to unload the cars. In one case they unloaded virtually the entire equipment of rolling stock and rails for a new railway in Russia. Russia's railroad was dumped on the ground and stayed there six months until steamers came to carry it oceanward.

Wherever possible, the cars thus released were placed hastily back into service. Where it was impossible to reach them, the empties lay wedged between miles of loaded cars. It was not very long before this condition began to be felt at the other end of the line and factories working day and night found they could not get sufficient cars for their products.

It was as if the second wish had come true. The loaf had jumped up and stuck on the railroads' collective nose.

The railroads struggled desperately along, overcome by the deluge of prosperity. And there is little doubt that the railroads worked much harder to help the shippers than the shippers did to help the railroads. In one lot of 200 cars of pig iron it was found that the shippers might have got along with 125 cars if they had loaded them to capacity. Here was a case where careless loading had tied up sixty per cent more cars than necessary.

In the South, cars were found loaded with cotton far below maximum capacity. Cotton bales are heavy and hard to lift so shippers simply placed them on the floor and let it go at that. It was too much labor to pile the heavy bales up to the roof. Result: waste of car space, use of an unnecessary number of cars, and more car shortage. This situation became so general that the railroads finally issued a formal request to cotton shippers asking them to better it.

Finally there came a winter day when there was an actual coal shortage in some places and a threatened shortage in others. The railroads and the Interstate Commerce Commission swept lines clear and shot coal by the thousands of tons at express train speed where it was most needed.

THE situation still remained acute. Only a small percentage of the 2,600,000 freight cars in the country were tied up—less than seven per cent the experts estimate—but they were blocking the way of the others. Something had to be done.



One of the long oil trains bearing away the products of the oil wells near Tulsa, Oklahoma. Oil was discovered



Accordingly the entire railway industry of the country, urged on by the Interstate Commerce Commission, agreed to cooperate to meet the situation. The railroads all joined in, appointed a committee of hard-headed practical railroad men, wrote out a blank check for authority, handed it to the committee and said, "Now go ahead. You prescribe the remedy; we'll take the medicine and we won't make a face."

The committee virtually holds the power of attorney for every road in the country. It is known as the Car Service Commission of the American Railway Association, but in reality it is the Supreme Court of the railroads. As this is written it is holding daily meetings in Washington and its meetings are attended by officials and experts of the Interstate Commerce Commission who make frequent suggestions. And those suggestions are nearly always followed.

Under this powerful guidance, the situation is gradually righting itself. But it is still abnormal and if the stringent rules of the Commission were to be lifted there is every likelihood it would soon again become dangerous.

Admittedly, the Car Service Commission is an emergency relief organization. The railroads do not expect forever to be in need of emergency relief. Practical railroad men say that this prescription is the remedy for their ailments:

Less multiplicity of regulation, more money, and maximum cooperation not only among railroads and shippers but among the railroads themselves.

## THE ILIAD OF PIG IRON

(Continued on page 17.)

THE cost of manufacture, that is, of labor and management, was reduced from \$10.70 per ton of iron to 88 cents. Iron per ton cost \$51.10 to make in 1865. The cost in 1897 was \$8.88. We sold our output in 1865 at \$44.35 per ton, which was a loss of \$6.75. The iron of 1897 was sold for \$9.78, the margin over cost being 90 cents per ton exactly.

"In the fifty-five weeks of our first campaign we manufactured 4,500 tons of soft iron and lost \$30,000. In the ten months of 1897, we manufactured 60,000 tons of Bessemer pig-iron at a profit of \$54,000. In these figures will be found the history of the American pig-iron industry. No figures since 1897 in the least change the facts.

"Fifty-one years ago, the output of coke in Pittsburgh and Allegheny County was limited. The first furnace in Allegheny County to use coke instead of coal was built in 1859 on the Monongahela River, opposite the old hotel of that name. The production of pig-iron in the United States, in round numbers, first reached 1,000,000 tons in 1865; 2,000,000 tons in 1875; 4,000,000 tons in 1885; 9,500,000 tons in 1895; 23,000,000 tons in 1905 and 30,000,000 tons in 1915. The production for 1916 was, perhaps, 39,000,000 tons. The Dover furnace in the meantime has increased its capacity from 4,000 tons to 140,000 yearly."

"Formerly," I said to Mr. Croxton, "iron-making was a hit or a miss operation and there was no way of telling what the run of a furnace would be in the quality of its product?"

"That is true," he answered. "The manufacture of iron was a rule of thumb undertaking. Scarcely any use was made of chemistry, either in analyzing the material or the output. It was a matter of trying things together, and if they worked well, of keeping right at it.

WITHOUT taking undue credit to ourselves, I can say that we early understood the importance of knowing the elements that would produce the best grade of iron and employed a scientific man to test our ores and fuel. The manager of an iron furnace or a steel mill would not think of operating his plant to-day without a chemist and close records of all materials received and of the product made."

"When did the iron industry of the United States turn the corner of its losses and become profitable?"

"Periodically," Mr. Croxton replied, "the industry has been profitable for sixty years. Boom times in pig-iron began in 1855, 1864, 1872, 1881, 1892 and 1899. Between those dates, however, owners of furnaces had some terribly bitter experiences. From 1907 to 1915, and including both years, the pig-iron business could not have been worse. It was halted by the panic that occurred in the former year and did not recover its step until the breaking out of the war in Europe."

"What do you think about the future of the industry?"

"We shall have good times and bad, as in the past. My advice to blast furnace owners is that they save and salt the profits they are getting at present—they will need them by and by." (Concluded on page 50)



homa in 1904 and ten years later, in 1914, the State produced 74,000,000 barrels valued at over \$57,000,000.



# Acceptances—A Cure for Credit Complaints

*This Benign Form of Settlement Is Increasing Enormously in Popularity Because It Is an Antidote for Discounts and Other Evils of Time Payments*

By SHERMAN P. ALLEN

*Assistant Secretary, Federal Reserve Board*

THREE years ago acceptances were scarcely known in the domestic business field. During the year 1916 Federal Reserve Banks alone purchased for investment in the open market \$385,915,973 of trade and bankers' acceptances combined, an increase of \$321,070,973 over 1915. These amounts while indicating only in a small degree the progress made by the acceptance method of settlements, show that it is replacing the open book account.

Acceptances are drafts drawn by the seller of goods on the purchaser, who agrees to pay them on a given date, or arranges to have a bank or firm contract, by accepting the draft, to make the payments for him. They tend to eliminate the discount system in payments for merchandise, as well as the abuse of it, and while enabling the seller of the goods to count on a stated sum at a given date, make the purchaser of the goods a more prudent business man, both more guarded in taking on obligations and prompt in his payment of them. Bearing on their face the evidence that they are based upon actual commercial transactions or attesting this fact through bills of lading attached, they become prime mercantile paper and have a ready market.

"How many kinds of acceptances are there, anyhow?" a puzzled customer asked the vice president of a national bank in Boston.

"Two," was the reply, "good and bad."

While an acceptance, like other commercial paper, may occasionally prove to be bad, a more careful if perhaps less safe answer would have been that acceptances are of two general classes—trade and bankers' acceptances.

A trade acceptance is a draft drawn by the seller of goods upon the buyer. By writing the word "accepted" across the draft and signing below it the buyer agrees to pay the amount for which it is drawn, in, say, sixty or ninety days. A bankers' acceptance is similar to a trade acceptance, but is accepted for payment by a bank or firm with which the buyer has previously made arrangements for credit.

ONE of the arguments most persistently advanced against the adoption of acceptances is that they involve a distinct change of procedure from the old

system of carrying purchases in an open book account, with discounts for payment in sixty or ninety days. Discounts, however, are generally either a premium on prompt payment or a penalty for being slow, and are included, as they should be, as an element of cost. It is possible to retain the discount plan if desired by the introduction of a special discount rate where acceptances are given.

If Brown & Co., who are purchasing a bill of \$1,000 in merchandise from the wholesaler, agree to pay in 60 days from date of delivery by accepting for the goods, and another firm, say Maxim and Brother, arrange for a bankers' acceptance through an agreement with the bank at which they do business to accept for the payment of a bill of goods for another \$1,000 which they have purchased, this means that \$2,000 can be counted upon by the seller of these two bills of goods upon a given day. If the practice has become so general

that 48 other firms who are making purchases from the same manufacturer accept drafts drawn by him for \$1,000 each, payable in 60 days, \$50,000 is made payable, the manufacturer's bank loan is paid when due, everybody's credit is improved, and the \$50,000 is available for new business enterprises.

Acceptances should never be asked or given for a loan or to cover a past due account. They are in effect acknowledgments of goods received and agreements to pay on a given date. What has been an oral agreement evidenced by entries on the seller's books can, by use of the acceptance, be put into negotiable paper available for discount at the seller's bank.

TREATED from a theoretical point of view, acceptances exert a wholesome influence on interest rates, tend to keep the movement of merchandise at a normal level, and so give stability to the commercial and financial markets. The existence of a good supply of accepted paper, ready for discount in case of an unexpected demand, operates to reduce interest rates charged by banks. Carried to a conclusion, their general use should operate to reduce costs of capital and prices of commodities, therefore the consumer has an interest in the acceptance as well as the wholesaler.

Over-buying on the one side and over-selling on the

## **The trade acceptance is of benefit to the seller because—**

It completes the transaction, joining the payment with the shipments or invoice

It eliminates open book accounts, and substitutes bills receivable, or actual cash from discounted bills, in the assets of the seller

It gives to the seller additional credit facilities, in that such business paper discounted does not necessarily count in the amount of credit extended or authorized

By reason of its "double name" aspect, it has a broader and better market, and lessens interest rates for the seller

It assures promptness and avoids unjustified extensions

It promotes economy and efficiency of operation by establishing cooperation

## **Acceptances are advantageous to the Purchaser—**

In eliminating open accounts

In closing the transaction at the time of purchase

In facilitating adjustments and settlements



other may also be regulated by the introduction of trade acceptances. They operate to do away with what is essentially mercantile borrowing by the retailer from the wholesaler through long term credit. Business houses are few which can conduct their operations without the aid of banking credit. It is a wasteful process for such business houses after obtaining loans for themselves to attempt also to finance the retailer of the product. This is the natural function of the bank. The acceptance permits the performance of this banking function in a clean and businesslike manner. Turning credit business into the proper channels, so that the credit operation lies with the bank, should materially reduce the interest rates paid. An acceptance brings with it evidence that it is based upon a mercantile transaction involving the turn-over of saleable goods.

**RECOGNIZING** that the acceptance bearing two names is a better security than single name paper, the Federal reserve banks have established rates for its rediscount considerably lower than those for other classes of paper. The discount rates for trade acceptances at Federal reserve banks on December 30, 1916, were 3, 3½ and 4 per cent for paper running up to 90 days.

Business until a few years ago relied almost entirely upon the book account as the record of financial transactions between the buyer and seller. It

was the custom for the buyer to plan to pay for his purchases in 30, 60 or 90 days, or even longer after the date of sale, but rather the exception that the buyer gave the seller a negotiable instrument which could be taken to a bank and converted into cash or credit. The seller had but the word of honor of the purchaser to pay, without a fixed date. In practice the buyer has taken to himself the interpretation of this agreement. Discounts have sometimes been taken out of line with the dates for which they were offered and payments have been more or less at the convenience of the purchaser. Through this operation, the seller of goods has not only obtained and furnished the capital for himself, but has in many cases also furnished capital to operate the business of the man to whom he sold.

**SCARCELY** any defender of this system would resent its being characterized as a loose method. It grew up in a new country, amid the quick development of the general commercial field, furthered by competition, and paid for by the buyer in a higher price for his goods. It is also a fairly well established law that the first seller of goods passes on to the consumer the extra cost of capital and financial losses. Competition which earlier opened the book account has, under more normal conditions, through doing away with large profits, aided in

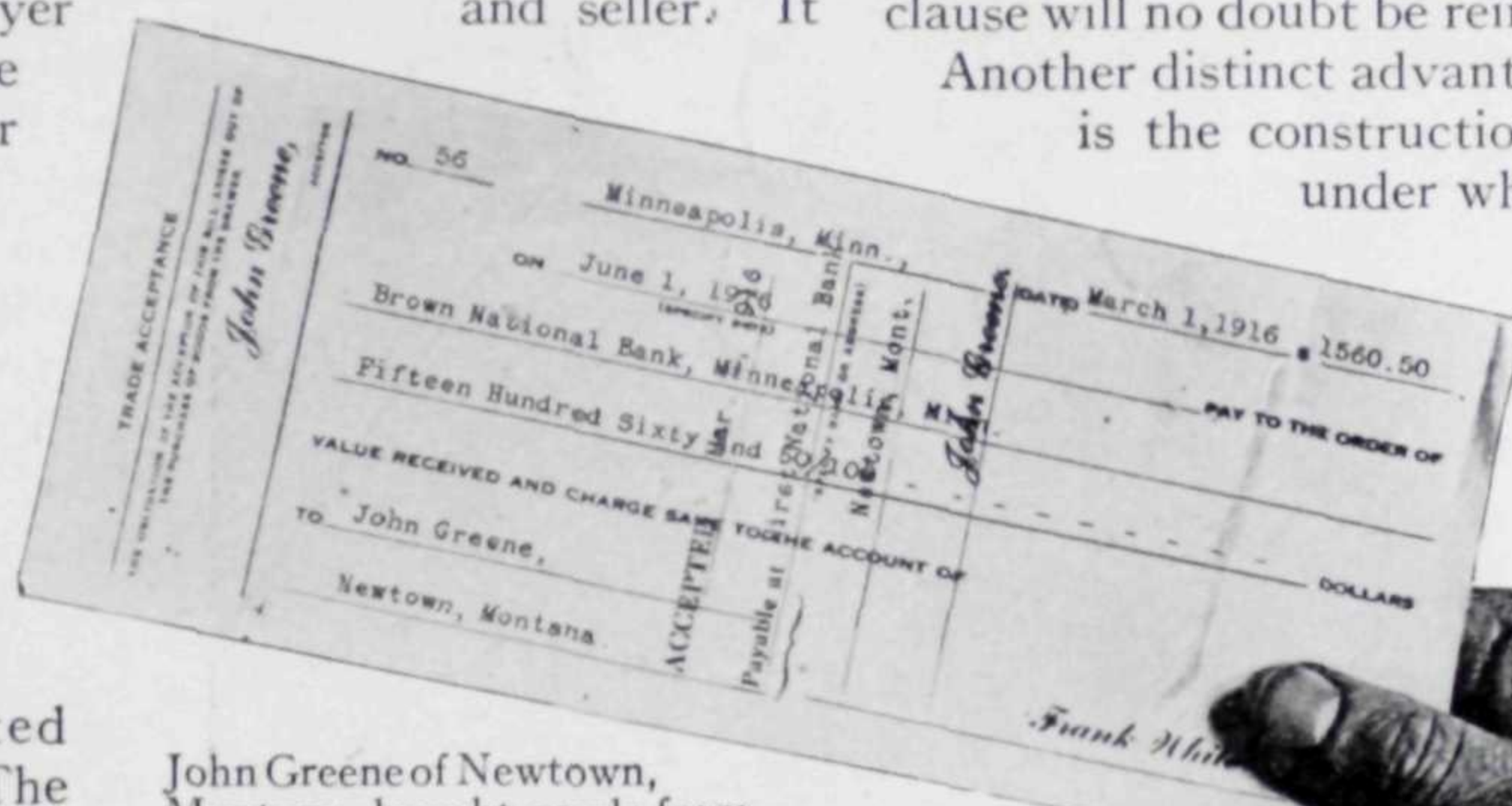
bringing about the use of the acceptance as a modern credit instrument.

**THE** framers of the Federal Reserve Act recognized the acceptance and provided possibilities for the enlargement of its usefulness in the United States. As passed, the Act contained encouragement to member banks taking acceptances through provision for the rediscount of trade acceptances based upon transactions in the United States, and bankers' acceptances founded upon the actual importation or exportation of goods. Development of the acceptance market led Congress in September, 1916, to approve the recommendation of the Federal Reserve Board and so amend the Act that member banks may accept and discount paper growing out of domestic trade operations involving the purchase of staple goods in warehouses.

Originally the Federal Reserve Act permitted the Federal Reserve Board to extend the limit to which member banks might take acceptances to 100% of their capital and surplus. In adopting the amendment of 1916 Congress unintentionally dropped out this provision, so that member banks may now take acceptances only to 50% of their capital and surplus. This has not, however, operated to place any severe hardship upon institutions purchasing acceptances, and the 100% clause will no doubt be reinserted by Congress in the Act.

Another distinct advantage accruing to the acceptance is the construction of the National Bank Act,

under which it is held that the limit of 10% of capital and surplus which a national bank may loan to any one borrower does not apply to acceptances. This permits enlargement of credit through the use of the acceptance and is



John Greene of Newtown, Montana, bought goods from Frank White of Minneapolis on 90 days credit. Mr. White drew up the above order which John Greene accepted. This gave Mr. White a negotiable instrument in place of an old-fashioned book account.

further recognition of their soundness.

American business has always been more or less familiar with bills of exchange in connection with transactions with foreign countries. If goods are purchased on credit outside the United States, the foreign seller almost invariably insists upon payment through a banker upon the delivery of the documents evidencing the shipment of the goods. The American seller was quick to adopt this method with his foreign neighbor and to insist upon the same method of payment. Why it did not more quickly find its way into domestic business to a greater extent is hard to explain.

The use of the paper that is most liquid and the concentrating of business and credit operations constitute financial progress. It is fortunate that American business has awakened to the use of acceptances before the opening of the trade contest admitted to be our inheritance from the world war.



# Ten Thousand Per Cent on Our Investment in Alaska

Our Largest, Most Valuable and Most Neglected Outlying Possession, Without Exerting Herself, Yields the Proverbial Hundredfold in Half Century

By JAMES WICKERSHAM, *Delegate in Congress from Alaska*

AS if anxious to justify herself and those who had faith in her in the stormy days of 1867, when William H. Seward took his political life into his hands in order to force upon his unwilling country a prize of marvelous richness, Alaska has already returned to the people of the United States dividends of ten thousand per cent. That is a significant fact for us to bear in mind at this time, as March 30, 1917, marks the fiftieth anniversary of the acquisition of the territory by the United States. When Seward reached an agreement with Russia for the transfer of the Muscovite's American colony to the United States for a consideration of \$7,200,000, it must have required stiff moral courage and a keen vision of the worth of Alaska to withstand the angry flings and taunts of his opponents. Amazing yarns were spun about the northern territory, and extravagant similes were invented. But Alaska, without yielding up a tithe of her treasures, has put her detractors out of countenance.

She is our largest and most valuable and most neglected outlying possession. Her population of 64,000 is scarcely larger than when we acquired the territory 50 years ago. In her 590,000 square miles, one-fifth of the area of the United States, every man has elbow room. In fact, if the land were equally divided between the inhabitants, to each person would fall a domain of more than nine square miles. Side by side with this, look at some of the thickly populated portions of the earth's surface, at Porto Rico, for instance, every one of whose 3,435 square miles must support 325 persons, or even the United States proper, with its 34.3 persons to the square mile.

To attempt to visualize the Alaska of the future is to indulge in dreams of empire, because Alaska is fashioned in a titanic way. So vast are her mineral deposits that despite a yearly output of more than \$32,000,000 it is permissible ex-

aggeration to say that her mineral resources have not been touched. Her fisheries are yielding a return of \$20,000,000 a year and more, and her 64,000,000 acres of land capable of being turned to agricultural uses ought to support a rural population of at least 10,000,000.

What will not the development of this storehouse of wealth and natural beauty mean to the people of the United States? Which one of the warring nations of to-day, for instance, would not give its very soul for Alaska's deposits of copper? And her coal, coveted surely by any people that has its heart set on the control

of the broad expanse of the Pacific. If some Lochinvar of a nation should come out of the East to attack us, the adjacent islands, as pointed out by a recent writer, would furnish a naval base which, in conjunction with one on our western coast and one in Hawaii, would be our best defense. In view of these and a hundred other reasons, the wonder grows that we have done so little with our northern possession. That we have done no more is due no doubt to the fact that some of the ignorance which obscured Alaska in the days of Seward still lingers in the popular imagination. Fifty years ago ninety-nine hundredths of the territory was said to be utterly worthless; the cold was so intense, it was averred, that it was out of the question for American miners to develop the mineral wealth, while as for agriculture, that was too impossible to discuss.

SLOWLY Alaska emerges from the fog, and we begin to see her in her true lineaments. Not as a region in which nature guards her wealth within walls of impenetrable ice does she now appear. On the contrary she stands forth as an empire in the making. Nature has been lavish, but she has left to man his part to play. Roads must be built before the settler can be lured to spots where the foot of white man has never trod, the



We take pleasure in presenting Oolik, son of Oolik, a husky and a gentleman. Amundsen brought him down from the land of the white Eskimos in 1908. He now belongs to Judge George J. Lomen of Nome. The camera caught Oolik during his summer vacation after a hard winter between the sled tugs.



shrill whistle of the locomotive must echo through the now unbroken forest, rivers must be spanned, industries created, schools founded. Untamed nature must be tempered to man's needs. A mighty task? Yes, but Alaska is worthy of the effort, and she will repay with the proverbial hundredfold.

DO you know that men in Alaska have succeeded in growing three crops of strawberries a year, and that there have been times in some sections of the country when the inhabitants had to import ice for domestic purposes or go without it? Yet you will still hear people loosely refer to Alaska as an Arctic country. Why, nearly three-fourths of the territory lies within the north temperate zone, and the region bordering the Polar Sea is the only one in which Arctic conditions are found. The experience of those long resident in Alaska shows that the climate is exceptionally healthful, and the white population is more exempt from such diseases as pneumonia, grippe and typhoid than in the States. The coast region has a comparatively mild winter, with cool summers, while the interior has cold winters, with warm but short summers. The climate of the coast region may be compared with that of Scotland and the Scandinavian Peninsula, although somewhat warmer, while that of the interior is not unlike the climate of Alberta, Saskatchewan and Manitoba, in Canada.

Red-blooded men, defying hardship and death, intent only on making their "stake" and then returning to civilization, were carried to Alaska with the great gold rush. But with the exhaustion of the richer placer areas, there was a marked decrease of population until attention was drawn to the agricultural possibilities of the country. Now there is a steady increase. In 1910 there were 64,356 people in the territory, of whom 25,331 were Indians. The white population is now perhaps 50,000. Immigrants of the right kind, of course, must be encouraged to go to Alaska and become home builders, because in no other way is development possible.

PRIMITIVE conditions are giving way slowly before the increasing stream of settlers which is following the government railroad from the Pacific coast to the interior. This railroad construction will make accessible mineral, timber and agricultural lands and open to commerce the coal fields near the coast and in the interior. Seventy-two miles of track was in operation on November first of last year out of Anchorage, and eight miles was ready for the steel. An additional 50 miles was under construction. Besides this, the Alaska Northern Railroad, purchased by the Govern-

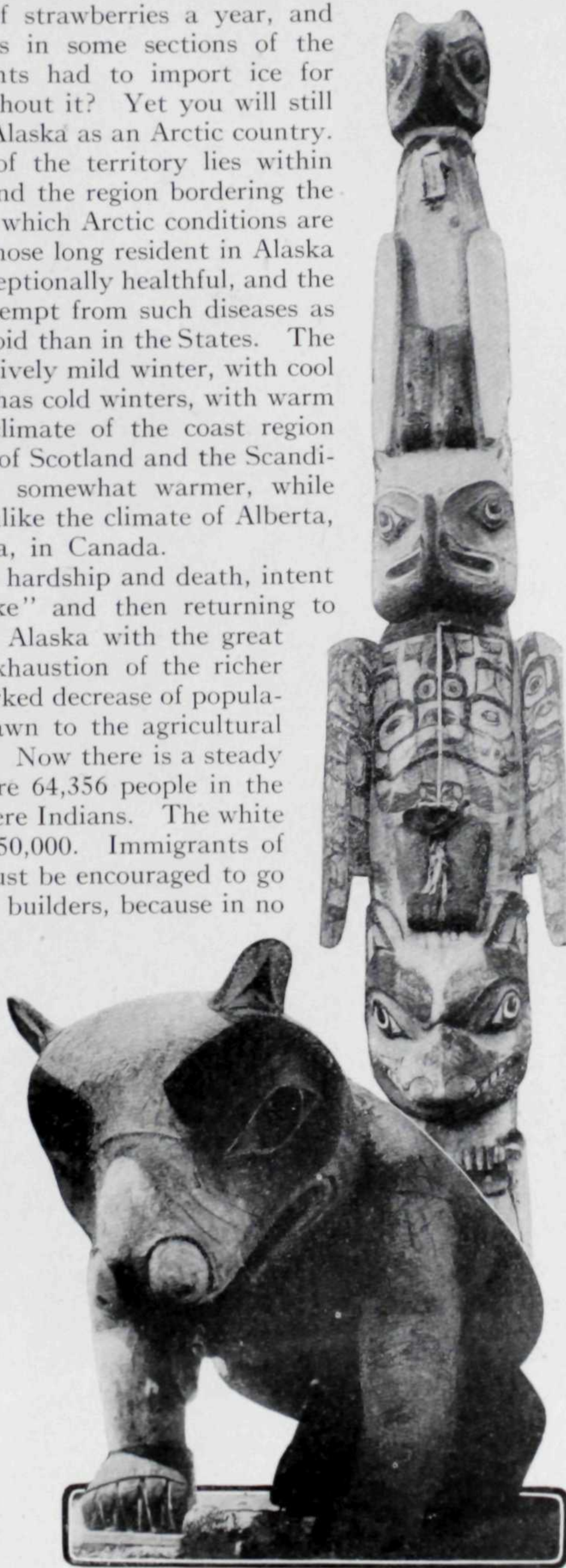
ment, was being operated last summer out of Seward as far as Keen Creek, a distance of 71 miles. In Central Alaska are large areas of low-grade alluvial, gold-bearing ground which can be rendered profitable only by means of cheaper fuel or cheaper power. The Nenana coal fields will furnish both. There are also numerous promising lode mines in the Fairbanks and other districts of the interior which can be developed with cheap coal.

Industrial communities will arise because of the development of mines and the reclamation and cultivation of farm lands, and homes will be founded. And lastly, and of supreme importance, these coal fields will supply every naval need of ours on the Pacific.

Gold! Gold! Gold!—yes, and copper, tin, antimony and silver; petroleum, marble and gypsum, all are there, Alaska's greatest source of wealth, the seemingly inexhaustible store from which in the year ending June 30, 1916, she poured forth minerals to the value of \$32,854,229, an increase of \$13,788,563 over the preceding year. There, too, are the practically untouched fields of coal and some iron ores, besides silver-lead, zinc, quicksilver, peat, graphite, asbestos, tungsten and mica. Copper has a romance no less than gold, and where there were but three or four mines operating a couple of years ago, 15 are now steadily mining and shipping ore, and the value of the output has increased from \$3,579,474 in 1913 to \$26,488,288 in the fiscal year 1916.

ONE hundred thousand square miles, 64,000,000 acres, that can be made available for tilling and grazing purposes, more agricultural land than supports 10,000,000 stock farmers and agriculturists in the Scandinavian Peninsula, and yet men raise their eyebrows at the mention of farming in Alaska. That she has agricultural possibilities, however, has been proven by men who were willing to justify their faith by intelligent labor. The work, too, of the experiment stations has helped to dispel doubt, and to-day there are many excellent farms in different sections of the country where potatoes of fine quality and all kinds of hardy vegetables are grown to perfection, besides annual crops of barley, rye, oats and sometimes wheat.

In order to show that potato growing could be made profitable in the Tanana Valley, where there are 1,000 square miles of land available for agriculture, the Fairbanks experiment station, in 1911, grew 30 tons of potatoes on seven acres which, if sold at five



Totem poles bear images of animals regarded with veneration by the Indians and used as the emblems of men or of tribes. Similar beliefs exist among savages in Africa, Australia and Asia.





These great coal veins in the Nenana field on the government railway make the mountain look like a huge layer cake. The enormous coal beds of Alaska spread over 12,667 square miles.



By 1902, the government had brought 1,280 Siberian reindeer into Alaska to furnish a livelihood for the natives and to provide food against the killing off of game. The deer now number about 80,000. A Nome company recently purchased 3,000 reindeer and will ship the meat and by-products to the United States.



cents a pound, would be worth \$3,000. In 1912 the station sold several tons of potatoes at an average of a little more than \$100 a ton. The United States paid less than two cents an acre for that land.

During the farming season of 1916 the Alaskan Engineering Commission purchased from a number of the homesteaders in the Matanuska Valley, 10,000 bushels of home grown potatoes. These potatoes were of prime quality and the homesteaders realized a substantial profit thereon. Approximately 500 homestead entries have been made in the Matanuska Valley and the other country tributary to the upper reaches of Cook Inlet.

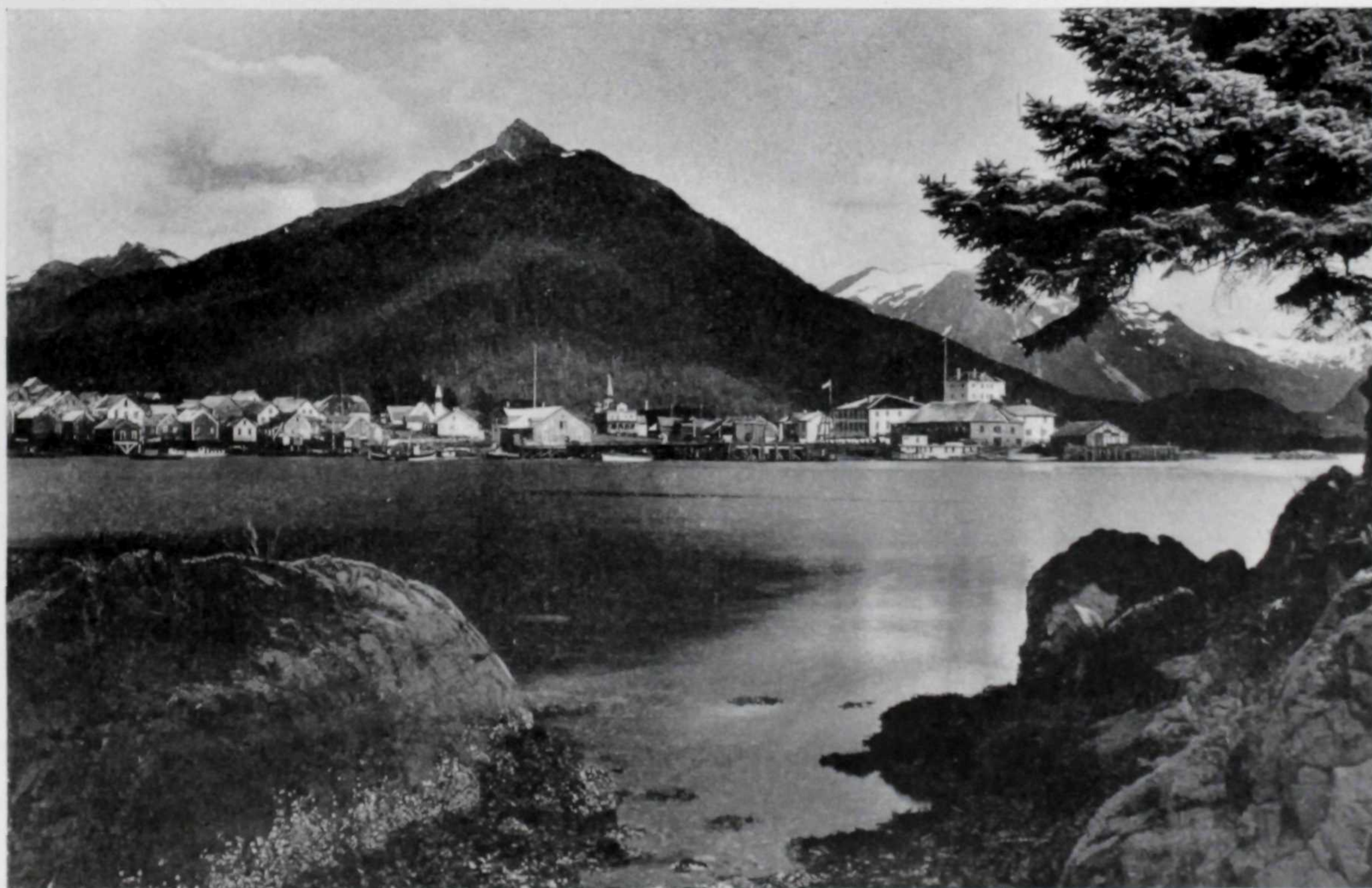
ALASKA'S waters make the fishing industry her best source of wealth save one. While the great yield of salmon is the most important item in the fishery output, which amounted in the last fiscal year to \$20,999,343, exclusive of aquatic furs, other valuable food fishes are found in abundance, such as halibut, cod and herring. The natives are largely dependent upon fishing for a livelihood, 22,462 persons being engaged in the different branches of its industries. Of these, 11,289 were whites, 5,000 natives, 1,631 Japanese, 2,190 Chinese and 2,352 miscellaneous, including Filipinos, Mexicans, negroes and others.

The sore-footed prospector or miner of a decade ago, dragging his weary way through the unbroken country in his endless search for gold, always gold, cried for joy when he stumbled upon a moose or caribou run or one

of the crude trails hewed through the wilderness, for roads there were none. If he was fortunate enough to own a horse, the poor animal struggled through swamp and timber, more often knee-deep in mud than on solid ground. Roads have been built during the past decade not the fine highways of many of our States, it is true, but they mark the beginning of a system of military and post roads which are of incalculable benefit to the regions through which they run. The future of Alaska depending as much on the construction of roads as on the building of railroads, the Government has adopted the policy of setting aside 65 per cent of the moneys paid into the Alaska fund for the construction and repair of roads and trails outside of incorporated towns. Railroads will open extensive districts, it is true, but wagon roads must provide tonnage for them. The expenditures by the Alaska Road Commission during the past fiscal year were \$300,720.62, and on June 30, 1916, there were 2,210 miles of wagon roads.

The development of Alaska is best illustrated, perhaps, by the growth of its commerce, which exceeded in value in the last fiscal year that of 1915 by more than \$25,000,000. The volume of merchandise shipments between Alaska and the United States and foreign countries amounted to \$97,340,420, as compared with \$71,352,276 for 1915.

DO the people of the United States appreciate the significance of Alaska? Do they know that her coal deposits are sufficient, at the present rate of con-



Sitka lies in the arms of mountains that rival the Alps in austere majesty. The Japanese current tempers the climate. Government records show that on a representative January day the town's maximum temperature was higher than St. Louis or Chicago. Sitka's population is estimated at 1,400.





An experimental wheat field on the government farm at Fairbanks shows Alaska's possibilities as a grain country. Barley yields three tons of hay to the acre. Alaskan vegetables astonish visitors. Cabbage heads of 8 and 10 pounds are not unusual. A gardener says he sold sixteen tons of cabbages from a half-acre in one year.

sumption, to provide the whole United States with fuel for the coming 5,000 years, that her other mineral resources are beyond computation, and that her agricultural lands only await our quickening hand? Do they understand that she is one of the keys to

the military and commercial control of the Pacific?

Alaska is the land in which the spirit of the American pioneer shall renew itself, where the romance of bringing wild nature under the yoke of civilization shall be repeated. The more than \$700,000,000 which she has already contributed to the national wealth is but a promise of what she will do in the future.

## More Work for Mr. Rand McNally!

Private Enterprise Completes a Concrete Dam in the Maine Wilderness that Puts a New Lake on the Map

By LAWRENCE T. SMYTH

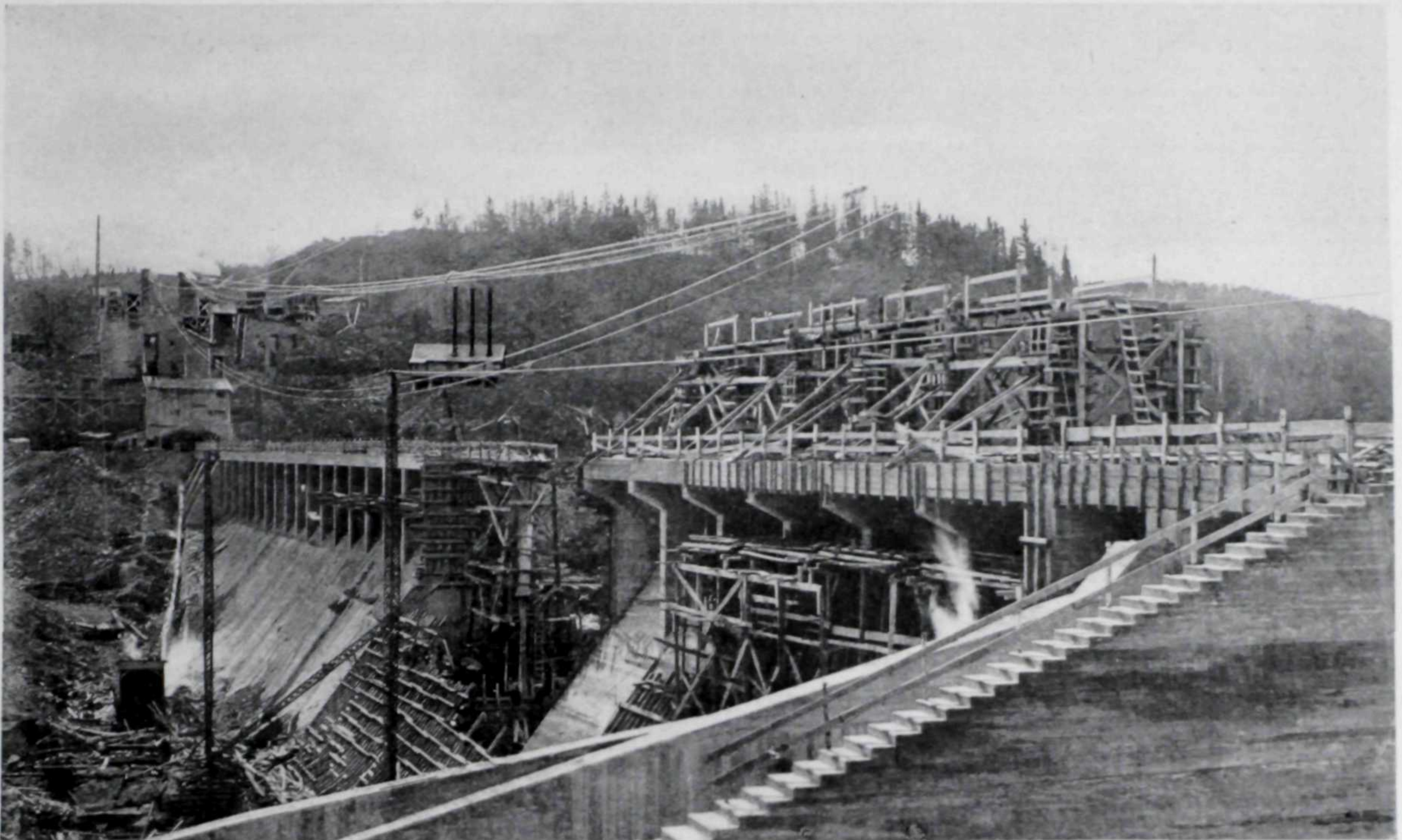
A MILLION-DOLLAR dam that is to combine three lakes and four ponds into a miniature inland sea has just been completed in the remote heart of the Maine wilderness for the Great Northern Paper Company. This corporation has big mills at Millinocket and East Millinocket, owns a million acres of timberland, employs thousands of paper makers and woodsmen, and produces about 500 tons of precious news print daily. The company expects to double its output within ten years—and the dam is part of the program.

This dam is regarded as an engineering wonder work. In the first place, no railroad runs within forty miles of the site. The 26,000,000 pounds of cement, the thousands of tons of iron and all the other materials had to be hauled through the woods from Moosehead lake to the head of Ripogenus Gorge, on the West Branch of the Penobscot river, a distance of thirty-one miles. To make this transport possible, the entire summer and fall of 1914 were devoted to the complete rebuilding of the old corduroy "tote" road from Moosehead to the West Branch. It is now a broad, smooth highway hardly sur-

passed in all Maine. Over this forest avenue a fleet of seven five-ton motor trucks have been engaged since the early spring of 1915, in carrying materials for the big dam and supplies for the hundreds of men employed in the construction gangs.

The Ripogenus barrier rears its huge mass of reinforced concrete in striking contrast with its rugged setting. It is nearly a thousand feet long, 75 feet from base to spillway and 92 feet in total height. The upper seventeen feet were added to make an ornamental bridge with a sixteen foot roadway across the top of the structure. The dam is 64 feet thick at the base and tapers to eleven feet at the top. Standing at the head of Ripogenus Gorge, a narrow canyon through which the turbulent West Branch of the Penobscot rushes upon leaving Ripogenus lake, the towering pile of concrete will, when its gates are shut, create a new "head" of seventy-five feet. It will roll back the floods for forty miles up the river and merge Ripogenus, Chesuncook and Caribou lakes with four big ponds into one body of water, twenty-five miles long, one to three miles wide and nearly fifty





The reservoir created by the Ripogenus dam is the greatest in Maine, fourth largest in America and seventh largest in the world.

square miles in area. The land thus to be flooded was two years ago covered with a dense forest, and sporting camps were scattered about it. Forests have been leveled, and the camps demolished to make way for the deluge. Within a few weeks land spacious enough for the building of a city will be submerged and commerce will have placed a new lake on the map of Maine.

Primarily, the dam was intended for storage, as a giant barrier to prevent the Penobscot's vast floods from running away uselessly in the spring. It will save the water for gradual release in the dry months of summer and early fall. For generations there have been complaints that there has been altogether too much water in spring and too little in summer; for years the great pulp and lumbering corporations have been spending money lavishly in the creation of storage basins to remedy the situation. The reservoir that has been created by Ripogenus dam is the greatest in Maine, fourth largest in America and seventh largest in the world. It will increase the water storage capacity of the Penobscot system by upward of 25,000,000,000 cubic feet.

Useful as this hoarding of water will be in keeping up the pitch needed for the operation of the mills at Millinocket, 35 miles down the river, and in insuring plenty of water for the log drives, there is another interesting aspect of this Ripogenus enterprise. Vast power is to be developed there. In the three miles between the dam and the foot of the gorge there is a drop of nearly 270 feet. The gorge is very narrow, crowding the river between solid rock walls that vary from twenty to one hundred feet in height. It forms a gigantic rock sluice through which the Penobscot rages furiously on its course from the lakes. It is proposed to utilize the force of the water's fall by cutting a tunnel through the hills

at one side of the gorge—a monster penstock driven through the rock to carry the water directly from the dam's high level to the wheel pits of power houses at the gorge's lower end. The power that would be developed would run all the mills on the Penobscot river.

Maine railroads in normal times spend from \$2,000,000 to \$2,500,000 annually on coal. At the lesser figure of two millions, the railroads pay for coal every year a sum equal to five per cent upon forty millions of dollars—and forty millions of dollars would pay for enough hydro-electric plants to run twice the number of trains now operating in Maine.

## STAND CLEAR! MISSOURI BESTIRS HERSELF!

*(Concluded from page 30)*

Subjects of particular interest to farmers and their families will be offered. By showing them, the small town will cement a friendly relationship with the people in its trade territory.

Federation leaders confidently believe that if they can show dramatically to its citizens just where Missouri ranks among other states in regard to schools, roads, churches, homes, methods, acre yield and such matters and can point out what is available without cost for bettering conditions, they will be aroused to bring their commonwealth to the front.

Will this mammoth development campaign succeed? Federation heads declare it will. Even if it should fall short of the billion-dollar goal they have set, it will have planted seeds that cannot fail ultimately to bring forth a harvest of honor and riches to the glory of old Missouri.



## THE NATION'S BUSINESS

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WASHINGTON, MARCH, 1917

LAND TRANSPORTATION used to be a means of moving one's habitation—by trotting along a rutted forest path if one were an eastern Indian, by Conestoga wagons, or by their western successor, the prairie schooner, if a man were white. When a man had "flitted," he took up a self-sufficient sort of life in his new habitation.

Today, land transportation enters vitally into the daily life of every person in the country. Upon lines of steel rail New York City depends for eight hundred million dollars' worth of foodstuffs a year. That figure merely suggests the daily and hourly dependence of every part of the country upon transportation, not only for foodstuffs, but for all the materials of industry, for the amenities which afford physical comforts, and for the interchange of ideas which gives intellectual zest. Every household is daily concerned about the efficiency of the transportation system very much as it becomes anxious and faces calamity if the bread winner goes to the hospital.

For months the transportation system has been out of order. Every one of our hundred million people have felt the consequences. Every industry and every household has known scarcity of supplies and mounting prices because of local famine with tantalizing but distant and isolated abundance. Makers have been delivering automobiles across country, and many a manufacturer has got some of his goods to market via country roads and motor truck.

About the causes pretty nearly everybody has hazarded a guess. For example, a committee of Congress, which would give the Interstate Commerce Commission control over the way one railway uses another's cars, sets down five reasons—ranging from inadequate terminal facilities and lack of ocean vessels to carry away our exports to speculation in cars on the part of shippers and

consignees and slowness of freight movement on account of shippers' abuse of the privilege of reconsignment.

The Interstate Commerce Commission, which for a year has been giving special attention to car shortage, adds another reason—the practice of some roads in treating as their own any cars of other roads upon which they may lay hands. In January the Commission found this practice so serious that it issued a peremptory order. The delinquent roads have since shown more readiness to cooperate, and officials of the Commission apparently see an end of the winter's blockade within several weeks.

Remedies, of course, are in order. Some traffic men advocate pooling all the freight cars in the country, some two and a half million, in order that their use may be directed from a common source and may be efficiently controlled. Pooling, these advocates say, could come about through ownership of all cars by a holding company, under the direction of the American Railway Association.

The Commerce Commission apparently does not as yet ask for pooling of all cars. Instead, it seems to think that if it receives complete authority to govern the use one road makes of another's cars individual ownership of freight equipment might continue.

In any event, something will be done toward avoiding the unpleasant situations of the winter of 1916-1917. If reform goes no further than to lead industries which have been relying upon daily

law manifested a shrewdness that approaches canniness. A number of years ago, after compiling a manual and contemplating the result, he wrote, "It is very doubtful if conduct in the next great war will be scrupulous, whether on the part of belligerents or neutrals, and most likely the next war will be great."

The remainder of his prophecy gives comfort, but still awaits events of the future; for he continued, "There can be very little doubt that if the next war is unscrupulously waged, it also will be followed by a reaction toward increased stringency of law." Paradoxically enough, reaction in this instance will be hailed around the world as genuine reform.



AMERICAN DYES are getting ahead. By August the government expects to get from American sources all the dyes it uses in printing stamps, paper currency, and the like. For the interim the government has a sufficient stock, from its two special importations from Germany.



AUSTRALIAN LAWS sometimes cause a bit of difficulty to manufacturers who send their wares to the Antipodes. For example, when a manufacturer sold goods in Australia through an agent, the manufacturer was by law deemed to have had a taxable income from the transaction to the extent of five per cent of the selling price. This part of the Australian statutes proved so unpleasant for the selling agents, who had to pay the tax if the nonresident manufacturer did not remit, that it has been repealed.



THE SHERMAN ACT will be argued pro and con once more on March 6. The Supreme Court will then listen to all the considerations bearing upon the question whether or not, as the law stands, a union of large competitors restrains trade by reason of the preponderance of the combination.

One lower federal court has said that under the statute there is illegality in this, even though the combination does no acts toward other competitors that can be called unfair. Another lower court has come to the contrary conclusion, explaining that, as it reads the anti-trust law it has no alternative. The Supreme Court will presumably indicate which is right.

The cases about which the question turns are the Harvester and the Steel suits. Arguments in another anti-trust case, against the United Shoe Machinery Company, will follow immediately. In

### THE NATION'S BUSINESS

#### As Reflected in the Month's News

Imprimis: Land Transportation

Can the Gentleman's Agreement  
"Come Back?"

Native Greens for American Green-  
backs

Another Trade Move in Australia

The Sherman Law on Trial Once  
More

deliveries of fuel and raw materials to garner up stocks against the evil days of synchronous car shortages and blizzards, there will be a deal of progress.



INTERNATIONAL LAW is a "gentleman's agreement," and has gone the way common to such pacts.

People who delve into a subject so caviar to the general usually acquire a reputation for erudition. Certainly, one of the British students of international



April the court will listen to arguments about the possibility of a system of licenses under a patent—a legal monopoly—falling afoul of the general law against restraints of trade and monopolies.

The laboriousness of these cases under the Sherman Act appears in the extent of the record. In the Steel case it runs to 57 printed volumes. It is no small task to deal with a business possessed of two billion dollars in assets.



AMERICAN EXPORTS have been changing in character. Two years ago foodstuffs made up 28 per cent and finished manufactured articles 30 per cent. In 1916 these kinds of goods accounted for 20 per cent and 48 per cent respectively of the total values. During the same period the proportion of manufactured articles in our imports fell from 22 per cent to 14 and of foodstuffs from 27 to 25.

The value of our exports to every part of the world, except the central European countries, increased in the two years, 1914 to 1916—by 1200 per cent to Russia, 400 per cent to France, 217 per cent to the United Kingdom, 210 per cent to Italy, 130 per cent to Spain, 185 per cent to Argentina, 180 per cent to Colombia, 140 per cent to Japan, 55 per cent to China, 100 per cent to New Zealand, and 100 per cent to South Africa.

The trade in agricultural implements we lost with Germany we more than made up with Russia, Canada, and Argentina. Automobiles we have sent broadcast, even putting 724 into Mexico in 1916, where we sold but 88 in 1914. For our cotton cloth we have about doubled our exports, sending abroad 620,000,000 yards in 1916, losing ground only in China and the East Indies. In glass and glassware we quadrupled exports. In aid of the printing press we pretty nearly doubled the value of the printing inks we shipped, but we sold fewer typesetting machines than in 1914, probably because of the thriftiness of printers in parlous times. One may run similarly through the whole list of our manufactured goods, finding exceptions to the increases only here and there, for example, in wagons, carriages, illuminating oil, and lumber.



STEAMSHIP OPERATION these days encounters some difficulties not to owners' liking. A vessel on arriving with coal at Genoa had to be unloaded by the consignees at a rate of 500 tons a day. Unloading proceeded so much more slowly that the owners demanded demurrage for nine days, in accordance with the charter. Thereupon, the consignees shrugged their shoulders and pointed to a regulation of the Consorzio—composed

of local merchants—to the effect that steamers should not unload more than 250 tons a day. The Italian courts upheld the consignees, too.

Another vessel, which went to Vladivostok with a cargo, encountered the rate of exchange. The charter called for payment of freight money in pounds sterling, cash, without discount. The consignees, however, offered rubles, at a rate of exchange fixed by the Russian government, and the owners took a loss of 14 per cent.

Even though a shipowner may get high freights these days, he goes into parts of the world where perils of the sea are not his only concern.



STOCKS AND BONDS are quite as patriotic as the men whose acumen and ability they in part represent—not a whit less or more.

At the news which ushered in the month of February, stocks sold off very decidedly. When this news reached a prompt and logical climax three days later, in an announcement that for cause the United States ceased diplomatic intercourse with Germany, prices went upward with the country's spirit of confidence in itself.

The stock market, however, has not recently held the center of attention, having given place to freight cars, potatoes, and the humble materials that feed our industries as well as our population. Consequently, the number of shares of

### THE NATION'S BUSINESS *As Reflected in the Month's News*

Who's Complaining About Our Exports?

Sea Perils of Another Kind

Stocks and Bonds Dance to Our Emotions

Our Ocean Delivery Service Growing

Canada's Fishing Laws Irritate

stock changing hands in a week has scarcely equalled a day's business in December.

Bonds have taken a course different from the course of stocks. Having reached their heyday around January 20, they have since declined in a dignified way appropriate for their character and traditions. One of the causes is clear—there is expectation of large issues by the United States government. In Europe government bonds monopolize attention and funds. Perhaps we are going to experience the same situation, on a small

scale. At any rate, whatever the possibilities the immediate future holds for us, several large plans for private financing, which were promising enough in December, have now been postponed, on the ground that the market is not favorable for such securities as long-time railway bonds.



AMERICAN VESSELS in 1916 represented a third of the tonnage of all vessels clearing from our ports, and total clearances never reached such a figure in a calendar year—53,150,000 net tons.

Our vessels were by no means evenly distributed among the various trades. They provided only six per cent of the net tonnage of vessels clearing for Europe, but thirty-six per cent among clearances for South America.

The value of merchandise carried abroad by American vessels in 1916 increased by 80 per cent over the value in 1915, and by 250 per cent over the value in 1914. In 1914 the proportion of the value of all our exports borne in American bottoms was 10 per cent; in 1916 it was 13 per cent.

Measurement of exports by value fails to indicate the quantity of cargo taken by American vessels, since they bear the less valuable goods, leaving to fast passenger liners under foreign flags the greater part of the highly valuable packages. This fact comes out in the statistics of imports, which are more largely raw materials than our exports. Of the value of imports American vessels carried 13 per cent in 1914 and 23 in 1916.



FISHING is the virile, picturesque, and historic vocation of Gloucestermen, and Gloucestermen as early as 1887 sent their schooners around the Horn to Puget Sound, for a chance to set their lines and "wet" their salt in the North Pacific.

Beginning in those days on banks off Cape Flattery, they discovered banks farther and farther north, until now the fishermen of the Northwest bring their halibut from Alaskan waters, and their cod from the Bering Sea.

The halibut from the northern waters of the Pacific cross the continent and, after being on ice from the time they leave the water as much as 2,000 miles north and west of Seattle, appear in New York restaurants not only in their own true light but as "deviled crab a la Chesapeake," "baked Pompano a la Lafitte," and the rest.

Gloucestermen had their troubles with Newfoundland, and their case went to the Hague. They and their followers of the Northwest have been having their troubles, too, with Canadian laws on the Pacific side—laws which have for their



effect the dominance of a Canadian Port over Puget Sound ports. Supremacy as a fishing port means more than academic distinction when the catch brings to each man in a boat \$30 for each day he fished, as was the way with a vessel in January.

Of these difficulties the end is not wholly in sight, but meanwhile Seattle is the greatest fishing port of the world. It gets a good share of the salmon pack, for which the cannery ships—real square riggers—are now setting sail into the North, and receives fresh fish, frozen fish, pickled fish, kippered fish, smoked fish, and some other varieties as well. Only the other day a carload of smelts from Seattle brought down the price on the East Side of New York from 14 cents to 6 cents a pound.



SPAIN is up and doing in these stirring times. It seems to have decided to station commercial attaches at its embassies in London, Washington, and Buenos Aires, having recently elevated its mission to Argentina to an embassy.

Historically and racially Spain has affiliation with Argentina, and apparently intends to accelerate the increase of its commercial interchange, which has recently been considerable.

The European war is described as having in Spain real intellectual effects which are taking form in a renaissance of industry and ocean shipping. The Spanish business renaissance presumably appears, too, in the advisory body formed in December among representatives of Spanish merchants, agriculturists, scientists, and officials to recommend reforms of Spanish laws affecting industry and commerce.



PANAMA CANAL COSTS are now figured by our British brethren. They conclude that in the first year the cost of operation was 83 cents per ton of freight passed through the locks and in 1916 was about \$1.25.

Taking the figures another way, our foreign commentators conclude that the cost of operation worked out as \$1.60 per net vessel ton and that tolls collected averaged \$1.03.

Of course slides and other such inconveniences, which belong to the early years of the canal, quite as whooping cough and measles plague the early years of the *genus homo*, add so considerably to costs of operation that a reasonable balance between charges and costs can scarcely as yet be struck. Besides, the War Department and the Department of Justice got so far apart in their interpretations of law that the tolls collectible last year, according to the ruling of the Department of Justice, were 15 per cent—i. e.,

\$390,000—less than the War Department intended.



MACHINE TOOLS have for a generation been an American product *par excellence*, at home and abroad. The industrial activity which has enabled England to bring her exports back to the level they had before the war, and which has put American exports at a point they had never before attained, has depended in no small measure upon machine tools.

In twelve months we have exported eighty million dollars' worth of metal-working machinery, including the delicate equipment of watch factories as well as heavy lathes on which guns of the largest size are turned. As for domestic demands, it was understood not so very long ago that in a very active period of ten days purchases of heavy lathes alone involved expenditures of three million dollars.



A RESEARCH SECTION is one of the newest parts of the British government. It is not only to receive large sums of money from the government but donations from private sources. For the purpose of handling these private funds a corporation has been formed, under the title of "The Imperial Trust for the Encouragement of Scientific and Industrial Research."

### THE NATION'S BUSINESS As Reflected in the Month's News

New Castilian Days

Costs of Canal in its Measles Period

Here We Are Unchallenged

Scientific Research to Britain's Aid

Bricks for the Sunlight Savers

A Frank Opinion on the Frank

The purpose of the new body is "to conduct research for the benefit of the national industries on a cooperative basis."

A substantial private donation was at once received by the new body, to be used for research in mechanical engineering. Other contributions, both for this government bureau and to other cooperative undertakings for research, are encouraged by exemption of gifts from the income tax.

Apparently, England not only plans to take a leaf out of our own federal Bureau of Standards but to go considerably further. Naturally enough, Canada has

gone and done likewise, although it has not yet matured its plans so far as the mother country. An advisory council of scientific experts and business men has been formed. The general purpose is to coordinate and promote the agencies of scientific research, for the purpose of inducing cooperation and teamwork, and to build up a community of interests, knowledge, and mutual helpfulness.



DAYLIGHT SAVING, or the idea for which the phrase stands, is making its way. This is the evidence of the criticisms which are aimed at it.

A college professor, whose comings and goings upon the campus of his institution accord pretty largely with his whims, would in jocularly have us push the sun back an hour. He obviously is jealous of his morning nap. A southern editor would have each man set his watch to fit his fancy, regardless of the vast complex of human, commercial, and industrial relations in which we are all bound these days. Another opponent objects because the farmers "do not go by the clock, anyway," beautifully oblivious to the fact that he is arguing the farmers would not care.

Nantucket in a town meeting has voted down "summertime,"—daylight saving for summer months only. Thereupon, some scoffers have risen up to observe that in Nantucket—an isle of safety against all modern improvements, including the automobile—time does not exist at all, and that tampering with the town clock would be sacrilegious.

But the world does not wholly wait upon obstructionists. In Australia, where winter and summer are reversed for us, all clocks went ahead by law on January 1. So far as cabled reports indicate, the cows continue to give their milk under the new chronological regime. In Europe, where a long twilight belongs to high latitudes and the plan is really advantageous only in summer, practically every government that saved daylight last year has enthusiastically decided to begin it again this year in April.



THE POST OFFICE DEPARTMENT keeps many business men on the *qui vive*, and now it has caught the Treasury Department napping. Before last May money was transferred among government offices by registered mail under frank. Congress then limited the weight of franked packages to four pounds. Thereupon the Treasury Department discovered it will have to lay out \$75,000 a year for postage or express charges.

The plight of the Treasury Department illustrates the great perspicacity Congress



has to exercise when it acts upon legislation. In this instance Congress was seeking to prevent abuse of the franking privilege by its own members. In local tradition there are well authenticated rumors of a member of Congress who tried to frank a piano, and of another member who deposited in the post office a family of goats, with his frank attached to each. Unfortunately, it got printed about that the Post Office Department was distributing goats gratuitously, whereupon the department received about as many applications as the concern it recently closed with a fraud order for pretending to distribute petticoats at ten cents each.

New Congressmen have not been the sole offenders in misusing the franking privilege. The Department of Justice has been known to send large packages of title papers by parcel post, subsequently spending a good part of a week in tracing their peregrinations.



NEWSPAPERS and revolutions go hand in hand. At any rate, China has found it so, having increased its newspapers prodigiously every time the political pot got to boiling, and it has proportionately increased its imports of cheap newsprint paper.

Pamphleteering, a convenient way of saying unkind things about one's opponents when the police system has not become vigorous, likewise flourishes. Accordingly, Norway and Sweden have been supplying machine-glazed cap for Chinese pamphlets and books. In sizes of twenty-five by forty-four inches, a ream weighs only sixteen and a half pounds, indicating paper that is almost tissue. But China prints on only one side of the paper.



A STATE that wishes to sue another state does not have to go into a justice court; it begins its action in the Supreme Court of the United States.

When it has succeeded in proving its case, however, and has obtained judgment in its favor, it is confronted with the self-same difficulty which its humblest citizen in the lowest order of court finds before him—the difficulty of collecting the judgment.

Indeed, the private citizen has an advantage, for if the debtor is recalcitrant the creditor can at least place his judgment in the hands of the sheriff and perhaps eventually discover something on which to levy execution.

That a state is not so well off appears from a case in which the Supreme Court has awarded judgment to the Commonwealth of Virginia against the State of West Virginia for something like \$12,000,000, as the part of the debt of Virginia in

1861 which the state formed from a part of Virginia should pay.

Students of constitutional law have long been a little curious to see how such a situation would work out, when the debtor State refuses to pay. On March 6 the Supreme Court will hear arguments on a motion for a writ of mandamus directing each member of the West Virginia legislature to do his part in enacting legislation either for a special tax, or for an issue of bonds, to meet the judgment. What the legislators will do in the event this writ issues remains to be seen.



THE BILLBOARD which has been a law unto itself, and has waxed into a mighty institution known euphoniously among its friends as "outdoor advertising," has come to book. After happening upon unexpected discoveries that billboards accumulate combustibles that have been known to take fire, gather to themselves insanitary and offensive odds and ends, and even afford seclusion for crime, the Supreme Court has decided that Chicago may prohibit them in residential blocks where one-half the buildings on each side of the street are used exclusively as homes and owners of half the frontage have not assented in writing.

Thus, the court avoided the necessity of facing the billboard squarely—an evasive attitude the courts have stoutly maintained ever since. In ancient times, they said they would protect the ear and the nose from offensive assaults but not the eye.

### THE NATION'S BUSINESS As Reflected in the Month's News

Newspapers and Revolutions

When a State Sues

Outdoor Art in Bad Again

Pencils Busy on the Income Tax Law

Petroleum Offends China's Nose

The Lowly Hen a Statistical Index

THE INCOME TAX had widespread attention in the week before March 1, when well nigh everyone discovered he had forgotten to make a return of the gains, profits, and income which had accrued to him during 1916. Apparently, the stampede for the collectors' offices was a brilliant success from the point of view of those who sit at the receipt of customs; for they have announced great expectations about the product of the income tax this year.

There is a curious thing about the new law. When one sits down with pencil and paper he finds that the greatest proportional increase over the rates of the old law—100 per cent—falls only on the lowest class of incomes taxes, *i. e.*, between \$3,000 and \$20,000. People with incomes exceeding \$20,000 get off with increases which drop as low as 52 per cent for those who have \$200,000 clear a year. After reaching this low point, however, the increases stiffen considerably, rising to 90 per cent for all persons who accumulate \$3,000,000 or more a year.

One possible conclusion which might be drawn from these circumstances is that the draftsmen of the new income tax took \$200,000 as the normal American income, to be touched with leniency, and incomes of \$4,500 and \$3,000,000 as abnormalities to be frowned upon and extirpated!



PETROLEUM may be a thing for which one's taste has to be cultivated. At any rate, the Chinese dislike the smell and touch of it so badly that they are much in the situation of the people who seventy-five years ago had salt works in western Pennsylvania—they abominate the petroleum and abandon a well when the proportion of oil to brine gets high. Their repugnance for crude petroleum may be measured by the fact that in China it takes from one to three generations to bore a well!

For the refined products of petroleum they have no such aversion, or even for the tin cans in which they get it from the United States, making out of the latter a source of almost as many of the necessities of life as a South Sea Islander finds in his favorite coconut palm.



THE BARNYARD FOWL, instead of being a very humble creature, should strut with pride. Very good authorities vouch for it that the fowl has been an invaluable aid to the statisticians.

From time immemorial it has been neither a dear luxury nor a necessary. So it falls out that no other article of the market so well serves to trace the cost of living. Fortunately for the statisticians, too, the prices of fowl have managed to get recorded through the centuries. For example, fourteenth-century moralists spent much of their time in denouncing high-living abbots who paid all of four pence for a fat capon, while ordinary folk had to get along with a hen at two pence.

No self-respecting statistician wishes for any more of a clew than that, to deduce that in 600 years the purchasing-power of money has fallen off some twenty times.



The usefulness of hens does not stop with statistics, by any manner of means. Now that food is scarce England has been taking account of her hens, and has discovered that they can be depended upon for 500,000,000 pounds of eggs a year—no mean addition to the food supply.

This mathematical statement regarding the extent to which England may live off the industry of its hens is a little puzzling; for *prima facie* there should be more hens in the United States than in the British Isles. Yet, American hens apparently yield slightly less than 500,000,000 pounds of food a year in eggs.

That the product should fall below expectations will hardly surprise any amateur poultryman, but at the same time the figure may suggest a new variety of industrial preparedness—and one staid British weekly discusses it at length—namely, how to increase the yearly production of eggs per capita of hens. If standardized and subjected to scientific management, English hens are optimistically estimated to be able to increase their present yield by a value of \$100,000,000 a year—that is, with the increment figured at the present London price for newly laid eggs, six cents each!

000,000 when its proceeds for 1917 reach the Treasury in the first half of 1918.

The financial markets look forward to early issues of both long-time and short-time government bonds.

**BOND ISSUES** The latter sort will be in the form of one-year certificates of indebtedness drawing three per cent interest. Three hundred million dollars in these certificates are authorized by the new law of March 3. The proceeds of such of these certificates as may be used now will support the Treasury until June, when \$217,000,000 of income tax are expected.

At the end of last June, the Treasury had a working balance of \$236,000,000. By February 1 this balance had decreased to \$95,000,000, and on March 1 it was \$67,000,000.

Long-time bonds, probably running for fifty years, have been authorized to the extent of \$303,000,000. Of the proceeds as much as \$50,000,000 may go for acquisition of merchant vessels, \$20,000,000 for a nitrate plant, \$11,000,000 for an armor-plate plant, and \$25,000,000 for purchase of the Danish West Indies.

In the last moments of Congress \$150,000,000 more in bonds,—serial, maturing in equal annual amounts over twenty years and paying three per cent,—were authorized to meet emergency expenditures which may be directed by the President for naval construction or for expediting it.

Thus, the total of gold bonds for the issue of which authority exists now amounts to \$453,000,000, and with the one-year certificate of indebtedness included the aggregate of obligations that may be incurred on behalf of the United States reaches \$753,000,000.

As early as 1854 the United States granted subventions to steamers for carrying the mails, endeavoring in this way to offset subsidies England in 1835 had begun to grant to her transatlantic vessels. The law of 1854 soon lost its effect, however, through the results of a Presidential veto.

In 1891 Congress renewed the policy of 1854, and in 1895 a fast transatlantic line under the United States was second to none—a condition of affairs which did not persist very long.

Congress has now undertaken once more to act on the principle of 1854, and may have overshot the mark; for it now offers to pay \$8 a mile, outward bound, or something like \$24,000 a round trip, for steamers built in the United States and operated with the mails across the Atlantic to England, if they are capable of making thirty miles an hour at sea in ordinary weather and in size reach at least 35,000 tons gross.

About the size which is stipulated American shipowners and shipbuilders

## The End of Congress

During Weeks of Night and Day Sessions Measures Vital to Public and Business Safety Were Passed—and Some Were Left Hanging High

**THE** Sixty-Fourth Congress of the United States of America closed in what a musician would call *forte fortissimo*—i. e., with every one keyed to his utmost endeavor.

In two years Congress has passed about 400 laws, extending in individual length from six lines of print to a good many pages. In the first session, which lasted from December, 1915, to September, 1916, there were a revision of the income-tax law, legislation setting straight the federal law about bills of lading, legal authority for federal supervision of the grades of grain, reorganization of our military establishment and enlargement of the navy, amendment of the Federal Reserve Act, provision for the Shipping Board, federal appropriations on a cooperative basis with the states for improved roads, enactment of a scheme for rural credits so far as long-time loans on agricultural lands are concerned, a new form of government for the Philippines, and some other measures such as the eight-hour, railway-wage law upon which the Supreme Court is about to pass. Altogether, it was a very considerable grist.

The short session, which in this instance began last December, has a time limit, and a very short one. In the three months which are permitted, Congress has to crowd appropriations of a billion and a half dollars, finding time and opportunity as it can for general legislation.

The opportunities for general legislation, however, were not even so extensive as is customary at short sessions. Only a limited number of bills of importance became law. Stock-raising homesteads of 640 acres each were made possible. When the Canadian government commandeered electric current

which had come to American electrochemical industries at Niagara, the amount of power which, at least temporarily, may be developed on the American side was increased. Porto Rico obtained a new frame of government, with American citizenship for Porto Ricans. And the federal government undertook an important leadership in encouraging vocational education in the states, offering its appropriations in a cooperative way to the states that will prepare to receive them.

Cooperation between nation and states will also be used in controlling the Mississippi river and in dealing with peculiar conditions, due to placer mining, which have affected the Sacramento river in California. Upon building levees and otherwise preventing floods along the Mississippi below the mouth of the Ohio, Congress has undertaken to spend a total of \$45,000,000 distributed over a number of years, on condition that local interests protected by a levee provide at least a dollar for each dollar of the government.

The immigration laws, too, obtained a general revision which they have long needed. About the revision no one had much doubt except for one item—a provision excluding ordinarily all persons who are more than sixteen years old and cannot read some language or dialect. A bill carrying this new restriction upon immigrants to the United States was vetoed twenty years ago. On February 5 it became law over a veto, through two-thirds votes in House and Senate.

On March 3 the new revenue bill, carrying a tax upon "excess profits" of corporations and partnerships received the President's approval, becoming law in precisely the form in which it was reported on January 29 by the House Committee on Ways and Means. According to the Treasury's expectations, the new tax will yield \$226,-

**REVENUE BILL**

**LAWS OF THE WINTER**

**THE SHORT SESSION**

**THE LONG SESSION**



may not hesitate, at least not on technical grounds. The *Vaderland* measures up at 55,000 gross tons; the *Titanic* had 46,000; the *Aquitania* and her recent sister ships touch 47,000.

Speed will be the main difficulty. The *Mauretania*, which holds the transatlantic record, never did better than 27 miles on the average during her fastest day's run. Thirty miles an hour has been achieved easily in torpedo-boat destroyers, and destroyers, battle cruisers, and scout cruisers authorized by Congress last year are all to have a speed of 35 knots. But commercial vessels are another thing, and it remains to be seen if the subvention now offered will lead to construction of thirty-knot, thirty-five thousand ton merchant vessels.

The law carrying appropriations for the navy likewise gave to the Secretary of the

NAVAL ORDERS Navy extensive power over private industries. These powers in principle resemble the author-

ity the President received last June, to place orders at a time of war, or impending war, for material that may be required and compel preferential fulfillment of these orders, if need be, taking possession of the plants and operating them. These same powers are now expressly extended to naval contracts, including contracts for construction of vessels with specific authority to requisition ship-building yards. Compensation is to be fixed by the President, but an industry which is dissatisfied with the amount may accept on account half the sum indicated by the President and proceed in the courts to have a reasonable figure determined.

Incidentally, in times of national emergency, the Secretary of the Navy received power to disregard the eight-hour day, on condition that time-and-half be paid for work over eight hours.

The Congress which has just ended took action regarding prohibition in Alaska,

INTOXICATING LIQUORS Porto Rico, and the District of Columbia, and in connection with interstate commerce. Thus, Con-

gress made it punishable after July 1, as a matter of federal law, to cause intoxicating liquors to be transported into any state or territory the laws of which prohibit manufacture or sale for beverage purposes; shipments for scientific, medical and mechanical purposes are excepted.

After July 1 it will also become punishable, under similar exceptions, to place in the mails any publication addressed to a place at which by the law in force in the state it is unlawful to advertise or to solicit orders for the intoxicants in question.

The legislation which failed of enactment, after vainly reaching the last stages in legislative progress, was quite as important as any that passed.

Brazil  
Cuba  
Japan  
Haiti  
China  
Chile  
France  
Norway

Russia  
Belgium  
Colombia

Germany  
Costa Rica  
Denmark

Netherlands  
Bolivia  
Ecuador  
Argentina  
Bulgaria  
England

Peru  
Italy  
Persia  
Servia  
Spain  
Panama  
Austria  
Sweden  
Turkey  
Korea  
Siam

## MAKES ALL NATIONS OUR NEAR NEIGHBORS

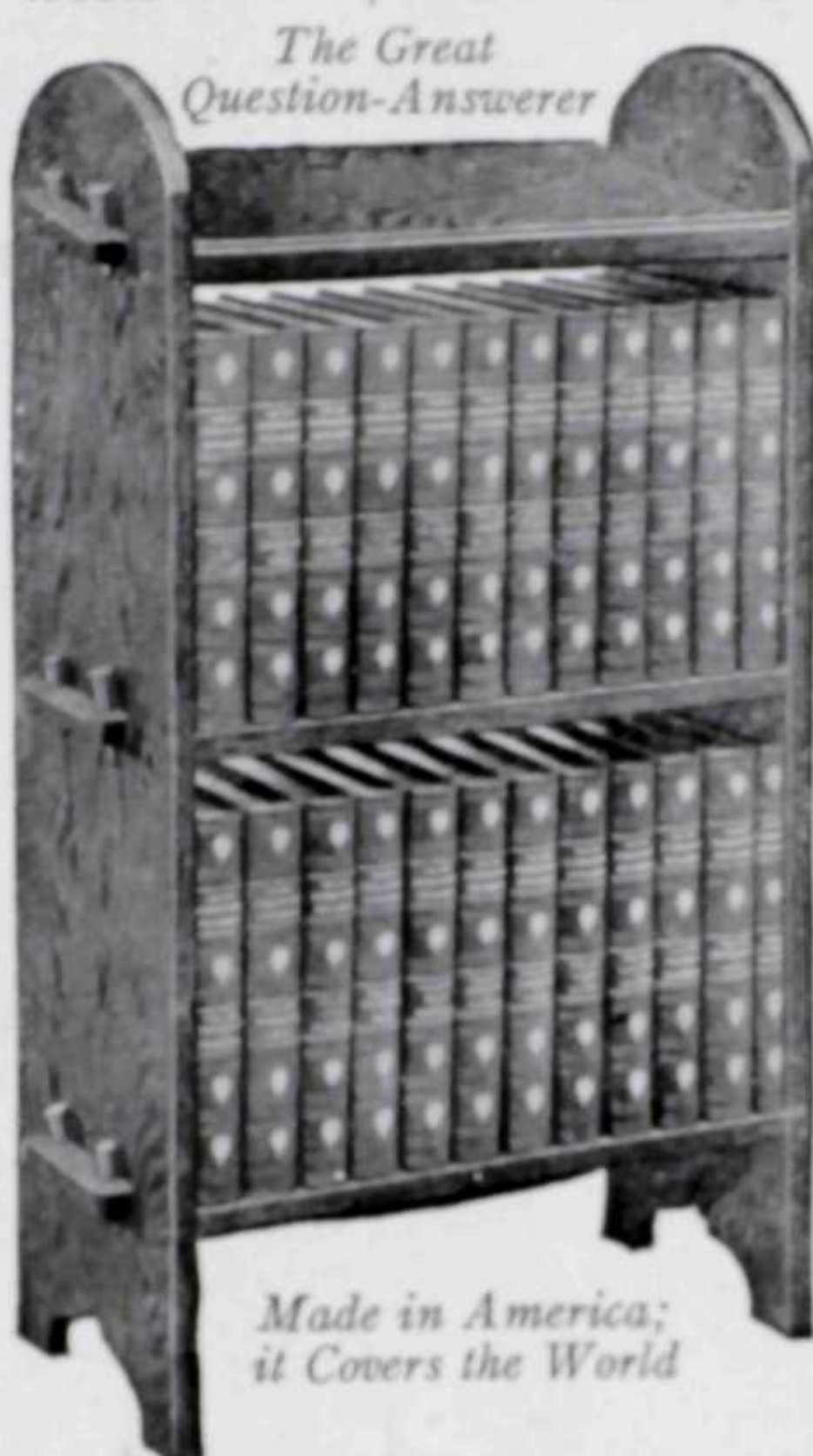
Greece  
Morocco  
Mexico

Afghanistan  
Nicaragua  
Montenegro

Salvador  
Paraguay  
Uruguay

Abyssinia  
Portugal  
Venezuela  
Honduras  
Rumania  
Switzerland

THE trend of the times is toward internationalism. We can no longer stand aloof from the countries of the world either in diplomacy or trade. We must meet, greet and do business with the people of other lands. We must cooperate with them; we must compete with them.



The first step is to learn about these nations—what they produce and what they need—and the best way to do this quickly and thoroughly is to own and use

## THE NEW INTERNATIONAL ENCYCLOPÆDIA

Second Edition

Completed the latter part of 1916

Revised, Rewritten and Reset from A to Z

Printed Throughout from New Plates

Number of Volumes Increased

Size of Page Enlarged

24 VOLUMES 20,000 PAGES  
80,000 ARTICLES

### STRONG POINTS:

1. Accuracy: every important article written by a specialist.
2. Authority: can be quoted on any subject without fear of successful contradiction.
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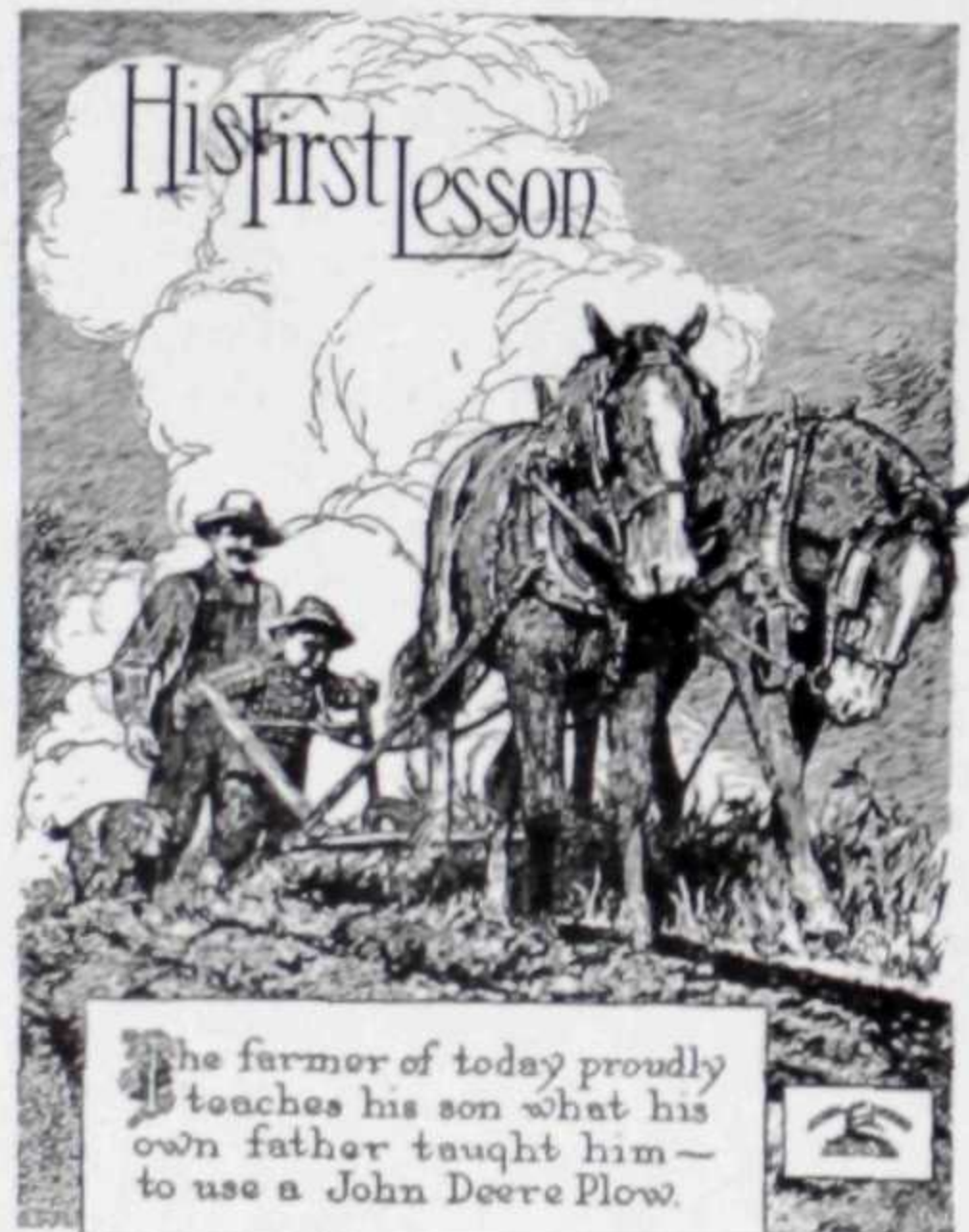
This bank is particularly well equipped to serve manufacturers, jobbers, wholesalers, and dealers located in States West of Pennsylvania to the Pacific Coast. We offer the facilities of a Chicago checking account with or without a line of credit. Our collection Department is a special feature of this service. We make a specialty of handling Bill of Lading collection items. Correspondence invited.

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The number of requests that have been made for the list of business books mentioned by Mr. Richard H. Waldo in his address at the Fifth Annual Meeting of the National Chamber of Commerce, leads THE NATION'S BUSINESS to believe that others would be glad to get this information. Here is the list:

*Taylor's Scientific Management*  
*James Whelpley's Trade of the World*  
*Elmer Robert's Monarchial Socialism in Germany*  
*Herbert Swope's Inside the German Empire*



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As every one knows, the Senate did not reach a vote upon the bill which would have authorized the President to furnish guns and, if necessary, gunners to American merchant ships and would have made it lawful for these armed merchantmen to repel attacks by armed vessels of a country against which the United States has not proclaimed war.

The ineffectual struggle over the armed-ship bill had serious incidental results.

For instance, it prevented appropriations to be used in the year which begins on July 1, not only by such important services and offices as the Coast Guard, the printing of stamps and paper currency, improvement of rivers and harbors, collection of the customs, and the Interstate Commerce Commission, but even by the army. As things stand, there would be no money with which to pay enlisted men after June 30.

Such a situation is naturally inconceivable. That money will be ready to support the army on July 1 is certain. As the appropriations have to be made by Congress, it is accordingly a foregone conclusion that the new Congress will soon be called to assemble in extraordinary session, and provide the half billion dollars in appropriations which the government needs in addition to the billion dollars actually made available before the old Congress adjourned.

Important measures of a general nature failed to get their chance for a variety of reasons. Some came from committee in season for attention, but found no opportunity for consideration. Some, such as the Webb bill for cooperation in export trade, remained in committee so long that they had no chance of enactment in the face of the slightest opposition. A few measures did not become law because after they had passed both Houses, in different forms, the conferees could reach no common ground.

After rather extensive hearings, following the President's recommendation of December 5, bills were reported from committee in both Houses to deal with the relation between railways and their employees. Neither bill made strikes and lockouts illegal until an investigation could be completed and the difficulties made clear to the public. Both provide for an investigation, however, as well as for publication of its results, but only the House bill gives to the public a majority representation on a board of inquiry. Each bill would permit a strike at any time, but would make

illegal any overt act designed to interrupt or delay traffic. To the same end the bills would authorize the President, in times of national emergency, to commandeer the railways, their officials and employees, and proceed to operate them under military law.

At the same time, a bill which would add two members to the Interstate Commerce Commission went by the board.

The joint committee of Congress, which was authorized last summer to investigate generally into railway regulation, and which began hearings on November 20 ending them temporarily on December 9, may renew its hearings in the spring, including the subjects with which the bills undertook to deal.

All legislation about waterpowers—on navigable streams, on public lands, and at Niagara Falls—has WATERPOWERS been in abeyance until the conferees on the bill with regulations for navigable streams could reach some agreement. Although they received the bill last summer, however, they could reach no complete agreement, and the whole question about federal regulation in this field goes over to the new Congress, which must take it up from the beginning.

The situation with respect to petroleum, gas, and coal on public lands is much the same as in regard to PUBLIC-LAND waterpowers. Differences MINERALS of opinion, including the Navy Department's attitude concerning petroleum reserves for its ships, have resisted attempts on the part of an informal joint committee of Congress and officials of the Interior Department to reach an adjustment.

Incidentally, tentative proposals for revision of the mining laws governing the metal mines of the West have been postponed, to await study by the Bureau of Mines.

When the Shipping Board took office, in December, it apparently decided that the law they have to administer was susceptible of improvement. CONTROL OF MERCHANT SHIPS Bills were accordingly reported in both Houses to

permit the President in time of war to "nationalize", as the phrase goes in England, all merchant vessels owned by Americans and even vessels building in the United States on foreign account. Legislation of this sort would in its main principles follow the precedent of England, France, and Italy in the European war. As for the vessels under construction here on account of persons of other nationality,—mostly Scandinavians, at least until within two weeks when some contracts have been let on British account,—the House Committee says they aggregate upwards of 675,000 gross tons.



# How a great bank trains men for promotion

## Leading Banking Institutions of New York Encourage Courses of Instruction.

### II. BANKERS TRUST COMPANY \*

Efforts of the Bankers Trust Company toward educating its employees, with the view of increasing their efficiency and better fitting them for promotion, dates from the formation of the "Bankers" Club in 1912. The progress made in this direction has been chiefly the result of the initiative of the employees themselves, with the approval and assistance of the directors and officials, rather than paternalism on the part of the company.

As in the case of several other banking institutions, the educational work of the Bankers Trust Company has been a gradual development, growing out of the needs which the employees and the officials have observed in the daily work of the company. None of the educational courses are given in the bank itself. A committee composed of bank officers consults with the employees who wish to advance in a certain line, or to overcome deficiencies in their education, and advises them as to the proper courses in the Alexander Hamilton Institute or the New York University.

The "Bankers" Club of all

ing and study. About twenty-five men were enrolled in the Alexander Hamilton Institute, which involved a weekly meeting of one hour at five in the afternoon for a discussion of the topics studied. These courses ran for two years. Several of the men in the original classes have since been made junior officers or heads of departments in the company.

In the year 1912 the

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*This clipping is one of a series of articles running in the Journal of Commerce, each one of which describes how a great American business is helping its employees to fit themselves for promotion.*

In a recent article in the Journal of Commerce, the Treasurer of the Bankers Trust Company, the second largest trust company in the world, says: "The employees of this bank, as well as its officers saw the need for adding to educational opportunities. There are always employees who wish to fit themselves for promotion. The officers and directors are giving encouragement and aid to efforts of this nature."

This effort on the part of the officers and directors to prepare their employees for promotion has taken definite form. A special Advisory Committee has been created to consult with each employee.

### Broad business training

The directors of the bank have worked with this Advisory Committee in selecting the best way of fitting their employees for bigger positions. They looked around for a means of giving these men the best and most modern thought in business, systematically arranged. They organized lecture classes in finance and banking, but dropped these in favor of a comprehensive course better fitted to meet the broad problems of business. They enrolled twenty-five men in the Alexander Hamilton Institute. Several of the men who enrolled in the Institute have since been made junior officers or heads of departments in the company.

The Institute collects, classifies and transmits thru the Modern Business Course and Service the best thought and practice in modern business. It gives a thoro and sound training in the fundamental principles underlying all departments of business—it gives a knowledge that could otherwise be obtained only by years of bitter experience—if at all.

This course which the officers of the Bankers' Trust Company have prescribed for twenty-five of its employees is the same course which is today

being taken by 50,000 executives and employees in the leading business organizations of America.

### The biggest concerns are enrolled

You can hardly name a nationally known business in this country, in which many of the most promising men and often the leading executives are not now enrolled in the Alexander Hamilton Institute.

In the Standard Oil Co. there are 242 men enrolled; in the U. S. Steel Corporation, 450; in the National Cash Register Co., 194; in the General Electric Co., 282; in the Pennsylvania Railroad, 87—and so on, down the list of the biggest concerns in America.

### Advisory Council

The Advisory Council includes Frank A. Vanderlip, President of the National City Bank of New York; Judge E. H. Gary, head of U. S. Steel Corporation; John Hays Hammond, the eminent engineer; Joseph French Johnson, Dean of the New York University School of Commerce; Jeremiah W. Jenks, the statistician and economist.

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Something like forty steamers are under construction here for Norwegians, to be delivered before next December. All are reported to be for sale abroad. Since the new bills were introduced in Congress, the Norwegian owners have been suggesting to persons to whom they wish to make sales that the vessels be continued under the United States flag. They have also reduced their prices. For a steamer of 7,000 tons building on the Delaware for

which the Norwegian owner had been asking \$225 per ton he now asks around \$200.

Railway legislation was not alone in failing to get its chance. Bills which largely followed recommendations of the Federal Reserve Board for important changes in the Federal Reserve Act were left on the calendars of both House and

Senate. These amendments would have resulted chiefly in giving the reserve banks enlarged control over the gold in the country, thus placing them in a position to regulate the outflow of gold whenever peace comes and all the world seeks our accumulation. Under the amendments, the Reserve Board estimates, something like \$400,000,000 would be added to our "mobilized" gold.

The other measures which have come from committee but failed of enactment, in effect falling between OTHER BILLS two stools, run a wide gamut of subjects. They would confer authority upon the Interstate Commerce Commission to control the use of freight cars at times when railway traffic grows to great volume, and would legalize the original regulations for tolls at the Panama Canal, thus bringing to an end apparent discrimination in favor of vessels under foreign flags. A measure of a very different kind would save for the government something like \$400,000 a year on account of useless printing done at the Government Printing Office.

If the new Congress should originate no new subjects for legislation, it can occupy its time during a session of very respectable length with the bills of major importance which remained on the calendars of the House and Senate when the Sixty-Fourth Congress adjourned *sine die* on March 4.

#### The Iliad of Pig Iron

(Continued from page 33)

"When, for instance?"

"My specialty is not dates," Mr. Croxton answered. "All that I ever pretend to see is conditions—and conditions have been so rough with me at one time and another that I have learned, as I believe, to recognize them when they are here or on the way."

Nevertheless, Mr. Croxton is still in furnaces as well as in banks and other enterprises. He is not only unique in that he is the patriarch among pig iron-makers in the United States but that he took the Dover furnace as a single unit with one stack, kept it so for many years—although constantly increasing its size and equipment—bought all his fuel, ores and limestone and sold his iron in pigs without attempting its further manipulation into steel or other products.

He succeeded outside the trusts and could do so again were it necessary.

#### Enter the Fifth "R"

The Russian language, despite its terrors to the Anglo-Saxon eye, is actually in vogue among English schools and universities. It now has its place in all the best public schools, and in five universities, and the London Institute of Bankers is pressing it upon members.



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### Monthly Survey of Business (Concluded from page 10)

upon prices, to the extent that it furnishes a basis for credit. This in turn rests upon the confidence or lack of confidence in the future of the business world. So far there has nothing developed, save locally and temporarily, to indicate any general speculative sentiment which would unduly expand credit.

The copper, lead and zinc mining districts of the West are enjoying great prosperity because of steadily mounting prices of these metals.

The possibility of our entering into war is still the subject of chief thought and interest, with the general feeling that once that Rubicon be crossed, business activities will soon assume a definite and more certain tendency.

### Trade Lookout in London (Concluded from page 8)

Company, is vice president; Robert Grant, Jr., of Higginson & Co., treasurer; J. E. Dunning, of the National City Bank of New York, honorary secretary; the Counsellor of the American Embassy is a director ex-officio, the American Consul-General is the consulting director, and the directors are George A. Mower, Sturtevant Engineering Company; F. E. Powell, Anglo-American Oil Company; J. Grant Forbes, American International Corporation; R. M. Collins, Associated Press; John McFadden, McFadden Bros.; F. Gordon Selfridge, Selfridge's Ltd.; C. T. Hill, British-American Tobacco Co.; F. E. Drake, India Rubber Products Ltd.; W. T. Watson, Marshall Field & Co.; C. L. Graff, Raymond Pyncheon & Co.; Howard S. Harrington, attorney; W. Sloane Aclles, Niles-Bement-Pond Co. The secretary is J. Tuck Sherman.

ALL American citizens, firms and corporations in good standing who are interested in the objects of the chamber are eligible to active membership.

"England is our best customer," said Mr. Cassett to the NATION'S BUSINESS, "and always will be, and it should be one of the objects of the new chamber to draw the two countries closer together in a commercial way. We shall not limit our operations to London, but shall endeavor to bring into the chamber all of the several hundred Americans in business in Great Britain and Ireland, for the betterment of American trade. I hope to see the London organization affiliate with the Chamber of Commerce of the United States.

"I believe the chamber will be in position to do much for American commerce in the British islands. Our trade suffers many restrictions now of course on account of war conditions which must be patiently put up with, but, when peace is established again, the American engaged

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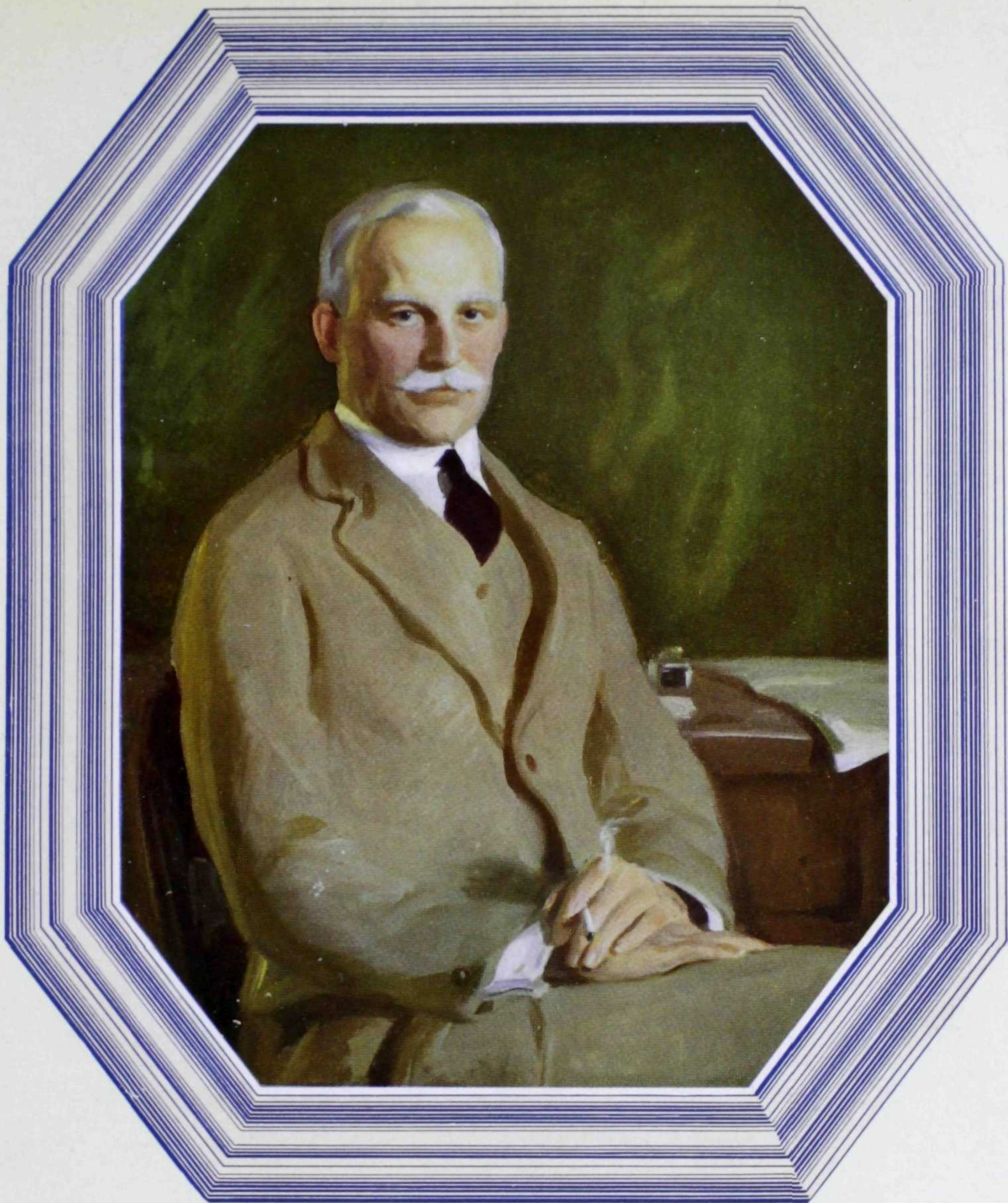
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in foreign trade will almost certainly encounter many obstacles which he did not have to meet before the war, and here, I think, the chamber will find one of its most useful fields of labor.

"The American interested in foreign trade may expect competition after the war in quarters where it never existed before. England, for instance, may begin making for herself articles in the manufacture of which she has not seriously competed with America in her own country. On the other hand, new markets may be opened up to us. "It can be taken for granted that trade will follow its usual course, and that people will buy where they can buy to the best advantage. A man prominent in English affairs said to me, 'The only way in which we can keep the Russians from trading with the Germans is by making the articles that Russia wants as good as Germany makes them and selling them at as low a price, and by buying the things from Russia that Germany has been buying.' I think this contains a meaning for the American merchant. His success will depend upon the service he is prepared to render."





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